100TH CONGRESS 2d Session | HOUSE OF REPRESENTATIVES | REPORT 100-1028

TRADEMARK LAW REVISION ACT OF 1988

OCTOBER 3, 1988.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. KASTENMEIER, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H.R. 5372]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Judiciary, to whom was referred the bill (H.R. 5372) to amend the Trademark Act of 1946 to make certain revisions relating to the registration of trademarks, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

I. PURPOSE OF THE LEGISLATION

The Lanham Act, the Federal trademark law, was adopted in 1946. Although it has been amended in various ways over the years, it never has been completely updated to bring the law into accord with the current realities of the marketplace. H.R. 5372 takes a major step in that direction by 1) permitting trademark registration applications to be based on the applicant's *bona fide* intention to use the mark in commerce; (2) explicitly granting consumers standing to sue for violations of Section 43(a) of the Act, which has become a Federal remedy for false and misleading advertising and other unfair competitive acts; and 3) reducing "deadwood" by changing the registration period from 20 to 10 years.[1]

II. STATEMENT OF LEGISLATIVE ACTIONS

On March 15, 1988, Representative Carlos Moorhead of California, the ranking minority member of the Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Com-

[1] H.R. 5372 does not change current law or practice regarding parallel imports, which are sometimes known as grey market goods.

mittee on the Judiciary, introduced H.R. 4156, the Trademark Law Revision Act. H.R. 4156 represented a comprehensive revision of the Lanham Act, and was part of Representative Moorhead's long-standing commitment to a strong and vigorous body of intellectual property laws.

Similarly, on November 19, 1987, Senator Dennis DeConcini of Arizona introduced the companion Senate bill, S. 1883.

Both bills were based on recommendations of the United States Trademark Association, which, through its Trademark Review Commission, reviewed the status of the current law, and concluded that Congress should revise and update that law.

The Senate amended S. 1883 as introduced in several ways and passed it on May 13, 1988.[2]

On September 8, 1988, the Subcommittee on Courts, Civil Liberties and the Administration of Justice held one day of hearings on H.R. 4156. It heard testimony from Senator DeConcini; the President of the United States Trademark Association, Ronald Kareken; Yale Law School Professor Ralph Brown; Bruce Silverglade, the Director of Legal Affairs for the Center for Science in the Public Interest; Roberta Jacobs-Meadway, a private trademark practitioner; and Debra Goldstein, the Senior Vice President and Associate General Counsel for Ogilvy & Mather Advertising.

Senator DeConcini and Mr. Kareken spoke in favor of the bill as a whole, and, in general, both recommended that certain amendments adopted by the Senate should also be adopted by the House. Professor Brown, Mr. Silverglade, Ms. Jacobs-Meadway, and Ms. Goldstein testified to their concerns about certain parts of the proposal, either as introduced or as passed by the Senate. In addition, Mr. Silverglade advocated an addition to the legislation to specifically grant consumers standing to sue for violations of Section 43(a) of the Lanham Act.

On September 22, 1988, with a quorum being present, the Subcommittee on Courts, Civil Liberties and the Administration of Justice adopted an amendment in the nature of a substitute to H.R. 4156 offered by the Chairman of the Subcommittee, Robert W. Kastenmeier of Wisconsin. The amendment was adopted by a vote of 9 to 6. Another amendment in the nature of a substitute, encompassing the bill as passed by the Senate, was offered by Representative Moorhead, but was rejected, also by a vote of 9 to 6. The Subcommittee then reported the bill by voice vote, no objections being heard. Representative Kastenmeier introduced a clean bill, H.R. 5372, on September 23, 1988.

On September 27, the Committee on the Judiciary, with a guorum being present, considered two amendments offered by Representative Moorhead. The first was the same amendment in the nature of a substitute considered by the Subcommittee. It was defeated by a vote of 21 to 13. The second sought to delete the consumer standing provision. It too was defeated by a vote of 21 to 13. The Committee then favorably reported H.R. 5372 by voice vote, no objections being heard.

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[2] The Senate's report was not filed until four months later, on September 15, 1988. S. Rep. No. 100-515, 100th Cong., 2d Sess. (1988).

III. BACKGROUND

As noted, the United States Trademark Association (USTA) proposed to the Congress a comprehensive revision of the Lanham Act. The proposal in turn was based on the review, debate, and recommendations of the USTA's Trademark Review Commission.[3]

The Lanham Act is widely considered to be inconsistent with current market practices in a number of respects. The USTA proposal was, at least in part, an attempt to conform the law to those practices, and to avoid the ad hoc nature of prior amendments to the Lanham Act.[4]

Most comprehensive revisions of the law generate some controversy, and this legislation is no exception. In fact, the trademark laws are usually particularly difficult to amend because of the sensitive interplay between those laws and the values protected by the First Amendment. Representative Bruce Morrison noted the dangers of monopolizing marks when he stated during Subcommittee consideration of H.R. 4156:

> [W]e are dealing . . . with . . . the granting of ownership rights to particular words . . . in order to protect the ability of commerical enterprises to communicate clearly to customers [that they are purchasing] something of dependable quality, but we ought not to overstep the bounds.

As noted below, the Senate did not adopt some of the USTA recommendations. The Committee agrees with the Senate's decision and, in addition, has determined that still other recommendations must await consideration at a later time. By not adopting all of the USTA recommendations, the Committee does not by any means repudiate its enormous and valuable effort. Rather, it is a tribute to USTA that it achieved a wide consensus about the most central element of its proposed reform, a revision of the registration process to permit applications based on a person's intention to use a mark in commerce.

APPLICATIONS BASED ON "INTENT TO USE"

USTA's so-called "intent to use" recommendation won wide support. In fact, various "intent to use" proposals have been introduced in Congress, although without success, since 1938. The last two such proposals in the House of Representatives were introduced by Representative Kastenmeier in 1969 and 1971.[5]

The current system requires a person to make actual use of a mark before applying for registration. The amendment gives the applicant a choice: he or she may rely either on actual use of the mark in commerce or on an intention to use the mark. The objective behind the amendment was well stated by the President of the USTA, Ronald Kareken:

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[3] "USTA Trademark Review Commission Report and Recommendations on the United States Trademark System and the Lanham Act," 77 Trademark Rep. 375 (1987) (hereinafter cited as USTA Trademark review Commission Report).

[4] The Lanham Act has been amended 18 times since its enactment. See, e.g, Trademark Clarification Act of 1984, Pub. L. No. 98-620, 98 Stat. 3335 (1984) (amending Section 14(c), 21, and 45 of the Act); Trademark Counterfeiting Act of 1984, Pub. L. 98-478, 98 Stat. 1837 (1984).

[5] H.R. 14050, 91st Cong., 1st Sess. (1969); H.R. 10727, 92d Cong., 1st Sess. (1971).

> [The] pre-application use requirement (i) unfairly discriminates against U.S. citizens, as compared to foreign citizens, (ii) imposes significant legal risks on the introduction of new products and services; (iii) gives rise to the practice of "token use," (iv) gives preference to certain industries, frequently disadvantaging small companies and individuals, and (v) burdens the trademark register with marks which are not actually used in normal commercial transactions.[6]

The "intent to use" recommendation, at least in concept, has not been controversial. However, USTA's suggested implementation did prove controversial, to the extent that an "intent to use" applicant was permitted to sue before he or she made use of the mark and the mark was granted registration. The Senate's response to this controversy was to pass an amendment that would have permitted the lawsuit to be pursued up to the point of final judgment, but would have precluded the applicant from obtaining a final judgment before use and registration occurred. The Subcommittee on Courts, Civil Liberties and the Administration of Justice responded by deleting the entire provision, thus retaining current law, permitting only registrants (and others who have used trademarks) to sue. See, e.g., 15 U.S.C. 1114, 1116, and 1125(a). The Subcommittee chose this course of action because of the serious concerns expressed by persons with significant experience with the Federal court system. The first concern was practical in nature, in that the filing system of the Federal courts is incapable of routinely retaining in its files lawsuits that remain unresolved for up to four years. The second concern stems from the fact that the constitutional basis for the Federal trademark laws is use of the mark in commerce. Permitting a plaintiff to sue before use occurs thus raises serious questions about abuse of the judicial system, about whether Federal jurisdiction and a case or controversey exists, and about whether such a case is "ripe."

The Commnittee recognizes that if "intent to use" applicants cannot sue to enforce their rights, those rights may, at least in some situations, be rendered meaningless. On the other hand, it is unwilling to endorse a system that raises the serious questions propounded by the experts on Federal court matters. Since the effective date of the Trademark Law Revision Act is one year from the date of enactment, the Committee hopes to find a resolution of this issue by then.

The Subcommittee on Courts, Civil Liberties and the Administration of Justice reduced the proposed "intent to use" application term, during which an allowed application might be kept pending, from a total of four years to two years. It also changed the extension process, which is virtually automatic under the Senate bill, to one requiring a showing of exceptional circumstances. See discussion of Section 1 of the Lanham Act, infra. The Committee endorses these changes as well.

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[6] Testimony of Ronald Kareken, Hearings on H.R. 4156, the Trademark Law Revision Act of 1988, before the Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Committee on the Judiciary, September 8, 1988.

AMENDMENTS TO SECTION 43 OF THE LANHAM ACT

A second set of recommendations by USTA proved highly controversial. These recommendations related primarily to proposed revisions of Section 43 of the Lanham Act, and would have prohibited omissions of material information disparagement and tarnishment of a mark, and dilution of a famous and distinctive mark. In addition, the remedies for violating these prohibitions would have been enhanced, through a proposal to explicity apply Lanham Act remedies for registered marks to unregistered marks protected by Section 43. Serious questions were raised about these provisions by persons concerned with the dissemination of First Amendment protected communications, and with advertising their goods and services to the public.[7] Included among them are the Federal Trade Commission, broadcasters, publishers of newpapers, books, and magazines, the American Civil Liberties Union, advertisers, insurance companies, and practitioners.

The Senate deleted the proposals relating to material omissions and tarnishment and disparagement, but the dilution and enhanced remedies provisions remain in the Senate bill. The Moorhead amendment in the nature of a substitute, offered at Subcommittee and Committee, adopted the Senate bill. Based on the hearing record, the Subcommittee on Courts, Civil Liberties and the Administration of Justice deleted all of these proposals from the bill. The Committee endorses this action. The record is clear that these concerns warrant further consideration. For example, the Society of Professional Journalists noted that:

> [N]ews reportage, comedy and satire, and editorial commentary may be threatened by [the dilution provision]. The remedy of injunctive relief to enforce this provision also raises the specter of an unconstitutional prior restraint.[8]

The National Public Radio voiced similar concerns:

> Such antidilution statutes have been used to bring cases against persons doing satire. In addition, NPR undertakes extensive and award-winning consumer reporting on products which may affect the health and safety of the American public. Those programming pieces could be subject to unfair attack by those who disfavor them under the pro-

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[7] Letter from Chapin Carpenter, Jr., Senior Vice President, Magazine Publishers of America, to the Honorable Peter W. Rodino, Chairman, House Committee on the Judiciary, September 23, 1988, with attached letter from Mr. Carpenter to the Honorable Robert W. Kastenmeier, Chairman, Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Committee on the Judiciary, September 21, 1988; letter from Daniel Oliver, Chairman, Federal Trade Commission, to the Honorable Peter W. Rodino, September 15, 1988; letter from Nicholas Veliotes, President, Association of American Publishers, to the Honorable Robert W. Kastenmeier, September 20, 1988; letter from Robert J. Brinkmann, General Counsel, National Newspaper Association, to the Honorable Robert W. Kastenmeier, September 19, 1988; letter from Douglas J. Bennet, President, National Public Radio, to the Honorable Robert W. Kastenmeier, September 21, 1988; letter from Bruce W. Sanford, Esq., on behalf of the Society of Professional Journalists, to the Honorable Robert W. Kastenmeier, September 20, 1988, with attached letter to the Honorable Peter W. Rodino; letter from Edward O. Fritts, President and CEO, National Association of Broadcasters, to the Honorable Robert W. Kastenmeier, September 8, 1988, with attached letter from Mr. Fritts to the Honorable Peter W. Rodino, September 23, 1988.

[8] Letter from Bruce W. Sanford, Esq., on behalf of the Society of Professional Journalists, to the Honorable Robert W. Kastenmeier, Chairman, Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Committee on the Judiciary, September 20, 1988.

> posed antidilution provisions of the bill . . . NPR urges the Subcommittee to remove this provision from the bill in light of its potential for misuse against legitimate news, information, and entertainment programming.[9]

The National Association of Broadcasters, noting the "more stringent penalties if willful intent to trade on a registrant's reputation or cause dilution of a registrant's mark is shown," wrote that the dilution section raised concerns similar to those raised about the material omissions and tarnishment and disparagement provisions. The NAB concluded that, "In the rough and tumble of the marketplace of ideas, we are of the view that the instinct for protection of image generally must give way to greater First Amendment values." [10]

According to the National Newspaper Association, the Senate bill and the Moorhead amendment expand

> the scope of the Act's statutory remedies, including treble damages and attorney fees, beyond cases dealing with registered trademarks to cases dealing with all violations protected under the act, including [dilution. This section], in conjunction with [the dilution provision], constitutes an open invitation for new and substantial litigation against all media, including even the smallest newspaper.[11]

The Committee notes that the concept of "fair use" in trademark law is narrow,[12] and does not save these provisions from constitutional challenge.[13] In addition, it recognizes that a dilution statute by its very nature does not present issues of consumer confusion because the mark at issue is generally used on different goods or services than those for which the mark is registered. The lack of consumer confusion is irrelevant to the constitutional concerns presented here, because, as in satire and parody, the mark is usually deliberately not used on the same goods or services. Finally, the Committee notes that various commentators have expressed serious constitutional reservations about the existing 23 State anti-dilution statutes.[14]

The Committee endorses the deletion of all of the proposed amendments to Section 43(a), in favor of comprehensive and careful hearings on these important issues. It does not believe that these proposed amendments should be considered individually. Rather, they must be considered together and in context, so that their interaction with each other, and with First Amendment rights,

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[9] Letter from Douglas J. Bennet, President, National Public Radio, to the Honorable Robert W. Kastenmeier, Chairman, Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Committee on the Judiciary, September 20, 1988.

[10] Letter from Edward O. Fritts, President and CEO, National Association of Broadcasters, to the Honorable Robert W. Kastenmeier, Chairman, Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Committee on the Judiciary, September 8, 1988.

[11] Letter from Robert J. Brinkmann, General Counsel, National Newspaper Association, to the Honorable Robert W. Kastenmeier, Chairman, Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Committee on the Judiciary, September 19, 1988.

[12] 15 U.S.C. 1115(b)(4).

[13] Cf. Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Celozzi-Ettelson Chevrolet, Inc. No. 87-2643, slip op. at 6-8 7th Cir. Aug. 25, 1988).

[14] See, e.g., Dorsen, "Satiric Appropriation and the Law of Libel, Trademark, and Copyright: Remedies Without Wrongs," B.U.L. Rev. 923 (1985); Note, "Trademark Parody: A Fair Use and First Amendment Analysis," 72 Va.L.Rev. 1079 (1986).

may be fully examined. The Committee hopes that, in the next Congress, the many competing voices on these issues will be reconciled and that universally acceptable legislation will be enacted.

REDUCTION OF THE REGISTRATION TERM

The USTA recommended that the trademark registration term be reduced from 20 to 10 years, to reduce "deadwood," or marks on the Federal Register that are not being used but that remain unavailable for others to use.

As Mr. Kareken, the USTA President, stated during the Subcommittee hearings:

> In terms of impact on the "deadwood" problem, the Trademark Review Commission calculated that approximately 15 percent, or over 49,200, of the active registrations issued from 1966 to 1985 would lapse at the end of a ten year term . . . [R]educing the term of registration will increase the frequency of renewals. . . .[15]

The Committee wholeheartedly adopts the USTA recommendation to reduce the registration term.

OTHER USTA RECOMMENDATIONS

Other USTA recommendations, such as a system to create and register security interests in trademarks, also raised questions about conforming the language actually proposed with both the intent of those making the recommendations and current practice under the Uniform Commercial Code. The Subcommittee on Courts, Civil Liberties and the Administration of Justice deleted these proposals from the bill to await further consideration of their purpose and their implementation. The Committee also endorses this deletion.

Many other USTA recommendations, largely technical in nature, were noncontroversial and have been adopted.

CONSUMER STANDING

The courts are divided about whether consumers have standing to sue under Section 43(a) of the Lanham Act, which has come to provide remedies for false and misleading advertising and other acts of unfair competition. The Committee supports the decision of the Subcommittee on Courts, Civil Liberties and the Administration of Justice to make it explicit that consumers do have standing under Section 43(a). It endorses the comments of the Chairman of the Subcommitee on Courts, Civil Liberties and the Administration of Justice almost ten years ago:

> Congress should act once and for all to confront the delicate issue of standing and remove inappropriate judicially constructed barriers to the federal judicial system. Clarity and consistency ought to be the ultimate goals. This would render the courts more efficient by reducing the amount of

[15] Statement of Ronald Kareken, Hearings on H.R. 4156, the Trademark Law Revision Act of 1988 before the Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Committeee on the Judiciary, September 8, 1988.

time expended in resolving threshold issues; at the same time, it undoubtedly will increase their overall workload by raising the number of lawsuits filed in federal court. On balance, however, considering the other reforms discussed herein, the federal courts will not be unduly burdened by liberal standing legislation.[16]

CONCLUSION

The Committee believes that revision of the Lanham Act is well warranted. The Committee set aside until the next Congress certain other proposals suggested by the USTA, to ensure a thorough airing of the complicated and important issues raised by those proposals. Despite these deletions, H.R. 5372 as reported by the Committee makes important changes in the Act that will reconcile the law and current marketplace realities.

IV. Section-by-Section Analysis

Section 1 of the bill sets forth its short title, the "Trademark Law Revision Act of 1988."

Section 2 of the bill provides that, except as otherwise noted, the bill refers to the "Trademark Act of 1946," 15 U.S.C. 1051 et seq.[17]

Section 3 of the bill amends Section 1 of the Lanham Act (15 U.S.C. 1051) by creating a new subsection (b) to permit applications to register a trademark based on the applicant's bona fide intention to use the mark in commerce. The existing system, which remains in effect, permits applications only if actual use of the mark has taken place.

The "intent to use" applicant must make certain required showings to the Patent and Trademark Office (PTO), including those relating to the applicant's bona fide intention to use the mark in commerce, to the goods on or in connection with which the mark will be used, and to the "mode or manner" in which the mark will be used. In other words, the application must be limited precisely to just those goods or services to which the bona fide intention relates.

The Committee's requirement that the applicant have a bona fide intention to use the mark is intended to eliminate the current practice of "token use," including the practice of shipping a product across state lines solely to establish a basis for filing an application. The Committee recognizes that, especially for certain industries, it may be impossible to make use of a mark before a business makes a significant financial investment in the goods or services to which the mark will apply. To require the applicant to make that investment before it can seek protection of its mark works to the applicant's serious disadvantage. By the time the investment is made, and use occurs, someone else may have used the mark. To protect against this unfortunate situation, the practice of "token use" has arisen. By permitting applicants to seek protection of their marks through an "intent to use" system, there should be no

[16] Kastenmeier and Remington, "Court Reform and Access to Justice: A Legislative Perspective," 16 Harv. J. Legis. 301, 328, (1979).

[17] In this Report, the Trademark Act of 1946 is referred to by its more commonly used name, the Lanham Act.

need for "token use" of a mark simply to provide a basis for an application. The use of the term "bona fide" is meant to eliminate such "token use," and to require, based on an objective view of the circumstances, a good faith intention to eventually use the mark in a real and legitimate commercial sense. Obviously, what is real and legitimate will vary depending on the practices of the industry involved, and should be determined based on the standards of that particular industry.

The Committee recognizes that this system may allow a person, under certain circumstances, to apply to register more than one mark. For example, an applicant in good faith may apply to register more than one mark because he or she is unable to determine without test-marketing which mark will be the most commercially viable. The requirement that the intention be bona fide will reudce the risk of stockpiling of marks by someone who lacks the requisite intention. This requirement works in conjunction with the procedure by which an applicant may apply to extend an "intent to use" application. That procedure is limited, both by the need to justify an extension by exceptional circumstances and by the 18-month limitation on extentions. These two provisions are in turn closely tied to the revised definition of "use in commerce" in Section 29 of the bill, which requires "bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark." These three provisions will reduce unnecessary and unjustifiable deadwood, and will protect the system from abuse.

Once the "intent to use" application has been made, the Patent and Trademark Office will examine it and publish it for opposition if the Office determines that the mark would be registrable once use is made. Section 13 of the Lanham Act (15 U.S.C. 1063). If the application is not successfully opposed, the Patent and Trademark Office will issue a notice of allowance under new subsection (b)(2) of Section 13 (15 U.S.C. 1063 (b)(2)).

Subsection (b) of Section 1 of the Lanham Act also specifies that, with the exception of applicants proceeding under Section 44 (15 U.S.C. 1126) (relating to foreign applicants), no mark may be registered until actual use is made. New subsection (c) permits a showing of use, pursuant to subsection (a) of Section 1, to be made at any time during the pendency of the "intent to use" application.

Pursuant to new subsection (d)(1) of Section 1 of the Lanham Act, an "intent to use" applicant must make the required use of the mark within six months of the notice of allowance, and must make certain showings to the Patent and Trademark Office, including those relating to the actual goods or services on or in connection with which the mark is in use, and the "mode or manner" in which the mark is used. The Office may issue an appropriate certificate of registration once it examines the statement of use. The Office, as part of the examination, may consider the new information filed by the applicant and its effect on whether the mark is actually registrable under the standards set forth in Section 2 (15 U.S.C. 1052). This provision permits the Office to raise issues of registrability that might not be evident until the applicant makes available specimens showing the mark as used and/or clarifying the nature of the goods or services involved.

Subsection (d)(2) sets forth the procedure by which an "intent to use" applicant may seek an extension of the application period for not more than 18 months. The applicant must again make certain showings, and must specify the "exceptional circumstances" justifying the request.

The Committee is well aware that many legitimate circumstances may prevent an applicant from making the requisite use of a mark within the initial six month period. For example, a pharmaceutical company may be unable to use its mark because of delays in the Federal approval procedure. These delays are not attributable to the applicant, and are the kind of "exceptional circumstances" the Committee contemplates. Unavoidable and legitimate delays are not peculiar to the pharmaceutical industry, and the Committee intends that the Patent and Trademark Office take these situations into account when determining whether to grant the applicant's extension request. Substantially automatic and lengthy extensions are inappropriate, given that any extension will further tie up the mark and prevent anyone else from using it. It is therefore appropriate that extensions be granted only upon a showing of "exceptional circumstances."

Paragraphs (3) and (4) of subsection (d) describe the circumstances under which statements of use may be accepted or refused, and under which an application will be deemed abandoned.

Section 3 of the bill also makes certain technical and conforming changes in Section 1 of the Lanham Act.

Section 4 of the bill makes certain technical and conforming changes in Section 2 of the Lanham Act (15 U.S.C. 1052). It also amends the proviso, relating to concurrent registration, in subsection (d). Thus, use prior to the date of any pending application or registration will no longer be required when the owner of the application or registration consents to the grant of a concurrent registration to the applicant. However, the amendment does not alter two important aspects of the law governing the issuance of concurrent use registrations. First, the Commissioner must still determine that confusion and deception are not likely to occur if the concurrent use registration is issued. Second, to prevent such confusion and deception, the Commissioner continues to be able to impose conditions relating to the mode and place of use of the marks.

Section 4 also amends subsection (f) of Section 2 of the Lanham Act (15 U.S.C. 1052), relating to proof of the mark's acquiring secondary meaning. Under proposed subsection (f), the Commissioner may consider use during the five year period preceding the date when the claim of distinctiveness is made. Under current law, the stated relevant period is that preceding the application's filing date.

Section 5 of the bill makes a technical and conforming change in Section 3 of the Lanham Act (15 U.S.C. 1053).

Section 6 of the bill makes a technical and conforming change in Section 4 of the Lanham Act (15 U.S.C. 1054).

Section 7 of the bill amends Section 5 of the Lanham Act (15 U.S.C. 1055), to provide that if first use of a mark by a person is controlled by the registrant or applicant, such use shall inure to the benefit of the registrant or applicant.

Section 8 of the bill amends Section 6(b) of the Lanham Act (15 U.S.C. 1056(b)) by making a technical and conforming change.

Section 9 of the bill makes certain technical and conforming changes in Section 7 of the Lanham Act (15 U.S.C. 1057). It also adds a new subsection (c), which provides that although the mark may not be registered on the principal register until actual use occurs, nationwide constructive use will exist once the mark is registered, and will date from the time of the filing of the application. This constructive use will give the applicant priority against all but prior users and those who have an earlier filing date.

Section 9 also redesignates current subsection (c) as new subsection (d), and fills a loophole in it that might otherwise be created by the new "intent to use" application procedure. While a company related to an "intent to use" applicant generally may make the requisite use in commerce, such as will not support the granting of a certificate of registration to that related company if at the time use was made, the "intent to use" applicant and the related company had agreed that the mark should be assigned to the related company. Otherwise, the Act's prohibiton against certain assignments of "intent to use" applications [18] could effectively be avoided. The Committee recognizes that the Patent and Trademark Office, in determining whether to grant the certificate of registration, may be unable to discover such an agreement. However, the issue may be relevant to any subsequent litigation, and may well be revealed during discovery. This procedure is akin to other situations where the PTO is unable to discern the circumstances surrounding the use of a mark. For example, there may be no way for the PTO to know that a mark is not being used on all of the goods for which it is registered when an application or Section 8 declaration is filed. This fact also might come to light only during the discovery process.

Section 10 of the bill amends Section 8(a) of the Lanham Act (15 U.S.C. 1058a) to reduce the term of registration from 20 years to ten.

Section 11 of the bill conforms to the change in the original registration term, and amends Section 9(a) of the Lanham Act (15 U.S.C. 1059(a)) by reducing the term of renewal from 20 years to ten.

The amendments made by Sections 10 and 11 will greatly reduce the amount of "deadwood" on the Federal trademark register. The Committee agrees with USTA that the problem of "deadwood" is a serious one. Unused marks on the trademark register prevent others wishing to use those marks from doing so. These amendments, in conjunction with the amendments to Section 1 of the Lanham Act, relating to the length of an "intent to use" application's term and to the requirement that the applicant's intention to use the mark be *bona fide,* and to Section 45, relating to the definition of "use in commerce," will have a substantial effect on reducing "deadwood."

Section 12 amends Section 10 of the Lanham Act (15 U.S.C. 1060) by providing that an "intent to use" application may be assigned

[18] See discussion of Section 10 of the Lanham Act infra.

only to a successor to the business of the applicant or to that portion of the business to which the mark relates. The business of the applicant must be "ongoing and existing." This requirement fills a loophole that would permit otherwise prohibited assignments. For example, an "intent to use" applicant may intend to create a new business in which the mark will be used but decide, after the application is made, not to do so. Without the requirement that the business be "ongoing and existing," the applicant would be able to assign the marks that are the subject of the "intent to use" application to another business, which purports to be a successor to the first company's no longer existing business. By closely limiting assignments, these provisions will protect against trafficking in marks and help ensure that the intention of the "intent to use" applicant is bona fide.

Section 12 of the bill also makes certain technical and conforming changes in Section 10 of the Lanham Act.

Section 13 of the bill makes certain technical and conforming changes in Section 12(a) of the Lanham Act (15 U.S.C. 1062a).

Section 14 of the bill makes certain technical and conforming changes in Section 13 of the Lanham Act (15 U.S.C. 1063), and sets forth the procedures by which a certificate of registration may be issued to applicants who have actually used their marks and to foreign applicants under Section 44 of the Act, and by which a notice of registration is published. It also sets forth the procedures by which a notice of allowance may be issued to "intent to use" applicants.

Section 15 of the bill amends Section 14(c) of the Lanham Act (15 U.S.C. 1064(c)) to substitute the term "generic name" for "common descriptive name." It also provides that a service mark registration may be cancelled when the mark has become the generic name of the service, an that if the mark has become the generic name of only some of the goods or services in the registration, the cancellation will extend only to those goods and services, and not to the rest of the registration.

Section 16 of the bill amends Section 15(4) of the Lanham Act (15 U.S.C. 1065 (4)) by changing "common descriptive name" to "generic name."

Section 17 of the bill makes certain technical and conforming changes to Section 16 of the Lanham Act (15 U.S.C. 1066).

Section 18 of the bill amends Section 18 of the Lanham Act (15 U.S.C. 1068) to give the Trademark Trial and Appeal Board the authority to cancel a registration in whole or in part, to limit or otherwise modify the goods or services in a registration or application in order to avoid a likelihood of confusion, and to determine trademark ownership rights where they are at variance with the register.

Section 19 of the bill makes certain technical and conforming changes in Section 21 of the Lanham Act (15 U.S.C. 1071).

Section 20 of the bill makes certain technical and conforming changes in Section 24 of the Lanham Act (15 U.S.C. 1092).

Section 21 of the bill makes certain technical and conforming changes in Section 26 of the Lanham Act (15 U.S.C. 1094).

Section 22 of the bill makes certain technical and conforming changes in Section 29 of the Lanham Act (15 U.S.C. 1111).

Section 23 of the bill amends Section 30 of the Lanham Act (15 U.S.C. 1112) to make certain technical and conforming changes. It adds language to reflect that an "intent to use" applicant may apply to register a mark for all the goods or services on or in connection with which it has a bona fide intention to use a mark. It also amends the proviso to permit the Commissioner to eliminate multi-class applications if they become unwieldy under the "intent to use" application system. This is simply an administrative change, and it will have no effect on the rights of applicants and registrants or on the costs of applying to register and renew a mark.

Section 24 of the bill makes a technical and conforming change in Section 32(2) of the Lanham Act (15 U.S.C. 1114(2)).

Section 25 of the bill makes technical and conforming changes in Sections 33(a) and 34(d) of the Lanham Act (15 U.S.C. 1115a and 1116). It also amends Section 33(b) of the Lanham Act (15 U.S.C. 1115(b)(5)) to reflect the constructive use provision established in Section 7(c) of the Act, which provides that once a mark is registered on the principal register, it has a nationwide constructive date of first use as of the application filing date. The legal effect of this provision is comparable to that of the earliest use of the mark at common law.

Section 26 of the bill amends Section 39 of the Lanham Act (15 U.S.C. 1121 and 1121a) to make certain technical and conforming changes.

Section 27 of the bill amends Section 43(a) of the Lanham Act (15 U.S.C. 1125(a)) to explicitly permit consumers, as well as businesses, to sue for violations of that section. Section 43(a) has come to prohibit false and misleading advertising, as well as other acts of unfair competition. As Representative Fritz Lanham said in 1946 during initial consideration of the Act, an essential purpose of the law is to "protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get." [19] Consumers, as well as businesses, are entitled to this assurance, and to protection if their rights are violated.

Section 43(a) permits any "person" who is damaged to sue. Courts interpreting this language have divided over the question of whether consumers as well as businesses have standing to sue. The Second Circuit, for example, has held that Congress did not intend to grant consumers the right to sue. *Colligan* v. *Activities Club of New York, Ltd.*[20] While noting that the legislative history of Section 43(a) is unclear, the court nonetheless found that "Congress deliberately excluded from coverage virtually all categories of unfair competition but for false advertising." It also found that granting consumers standing would increase the workload of the Federal courts and that adequate remedies to protect consumers existed in the States.[21] The court's analysis not only is unsupported, but also appears outdated. First, the Subcommittee heard per-

[19] H. Rep. No. 219, 79th Cong., 1st Sess. 2 (1945).
[20] 442 F.2d 686 (2d Cir.), cert. denied, 404 U.S. 1004(1971).
[21] Id. at 693.

suasive testimony that adequate protection for consumers is not available elsewhere.

> [D]uring the past two decades, the Federal Trade Commission has gradually abandoned its traditional role of bringing cases to prohibit false and misleading advertising . . . In the 1980s, . . . FTC enforcement [was limited] to case involving outright fraud . . . The need for a private right of action for consumers is even more apparent in light of the recent decline in voluntary self-regulation by the business community . . . Only twelve states have adopted some form of the Uniform Deceptive Trade Practices Act which provides consumers with a private right of action. Furthermore, such actions are effective only within the boundaries of the issuing state [citations omitted].[22]

Second, as the USTA acknowledges, while Section 43(a) originally was "narrowly drawn and intended to reach false designations or representations as to the geographical origins of products, [it] has been widely interpreted to create, in essence, a federal law of unfair competition."[23]

Other courts have rejected the Second Circuit's reasoning. In *Thorn* v. *Reliance Van Co.,* the Third Circuit found that,

> "[u]nder a plain meaning interpretation of section 43(a) it is this court's function to grant standing to Thorn if he is a person who believes that he has been damaged by [the defendant's] use of false representations . . . We reject the *Colligan* decision to the extent that it is contrary to the plain meaning rule as set out by the Supreme Court [citations omitted].[24]

The Ninth Circuit, citing 15 U.S.C. 1127, has found that Section 43(a)'s use of the word "person" includes "juristic persons" as well as "natural persons," and that the *Colligan* decision "has been sharply criticized." [25] Other courts have found that the Section's

> purpose is 'the protection of consumers and competitors from a wide variety of misrepresentations of products and services in commerce . . . The section is clearly remedial and should be broadly construed' . . . [The economic interests it protects include] that of the public to be free from harmful deception [citations omitted.] [26]

A leading trademark commentator has agreed with this broader reading of Section 43(a). Jerome Gilson, in his treatise "Trademark Protection and Practice," has written:

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[22]Statement of Bruce Silverglade, Legal Director, Center for Science in the Public Interest, Hearings on H.R. 4156, the Trademark Law Revision Act of 1988, before the Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Committee on the Judiciary, September 8, 1988.

[23]"USTA Trademark Review Commission Report," supra note 3, at 426.

[24]Thorn v. Reliance Van Co., Inc., 736 F. 2d 929, 832 (3rd Cir. 1984). The plaintiff in *Thorn* was not a consumer, but rather an investor in a business allegedly harmed by the defendant's conduct; the Third Circuit therefore had no difficulty finding that the plaintiff had standing.

[25]*Smith* v. *Montoro,* 648 F.2d 602, 607-08 (9th Cir. 1981).

[26]*Allen* v. *National Video, Inc.,* 610 F. Supp. 612, 625 (D.C.N.Y 1985). *Accord Yameta Co.* v. *Capitol Records, Inc.,* 279 F. Supp. 582 (S.D.N.Y. 1968), "vacated on other grounds," 393 F.2d 91 (2d Cir. 1968).

> [A]lthough the Section on its face contains no such restriction, it has been held not to protect noncommercial consumers generally but only to protect commercial plaintiffs from unscrupulous commercial conduct. In the opinion of this author, this narrow interpretation runs counter to the decisional trend and is inconsistent with the board application which should be given to such a remedial statute.[27]

The Committee believes that giving consumers standing to sue under Section 43(a) is consistent with these principles and purposes.

Section 28 of the bill makes certain technical and conforming changes to Section 44 of the Lanham Act (15 U.S.C. 1126). It also requires that those applying for registration of a mark in the United States on the basis of a foreign registration or claiming a foreign priority date must state a bona fide intention to use the mark in commerce. This requirement will not affect this country's obligations under the Paris Convention, because applicants under Section 44(e) are not required to make use of the mark prior to registration. Section 28 also amends subsection (e) to clarify that use in commerce is not required prior to registration when the application is based on a foreign registration in the applicant's country of origin.

Section 29 of the bill amends Section 45 of the Lanham Act (15 (U.S.C. 1127). It revises and updates the definitions of "trademark," "service mark," "certification mark," and "collective mark" by including any word, name, symbol, or device, or any combination thereof, which a person has a bona fide intention to use in commerce and which that person applies to register on the principal register.

Section 29 also amends the definition of "use in commerce" in Section 45, to require the bona fide use of a mark in the ordinary course of trade. While use made merely to reserve a right in a mark will not meet this standard, the Committee recognizes that the "ordinary course of trade" varies from industry to industry. Thus, for example, it might be the ordinary course of trade for an industry that sells expensive or seasonal products to make infrequent sales. Similarly, a pharmaceutical company that markets a drug to treat a rare disease will make correspondingly few sales in the ordinary course of its trade; the company's shipment to clinical investigators during the Federal approval process will also be in it ordinary course of trade. The definition of "use in commerce" is consistent with the Committee's intention to eliminate the practice of making a single shipment-"token use" solely for the purpose of reserving a mark. See discussion of Section 3 of the bill, supra.

Section 29 also amends the term "abandonment of mark" in Section 45 so that it is consistent with the new definition of "use of commerce."

Section 30 adds a new Section 51 to the Act, providing that the ten year registration term will apply to all registrations that issue on or after the effective date of the legislation.

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[27] 1 J. Gilson, Trademark Protection and Practice 7-24 to 7-25 (1988).

Section 31 provides that the effective date of the legislation is one year after the Trademark Law Revision Act of 1988 is enacted.

V. Federal Advisory Committee Act of 1972

The Committee finds that this legislation does not create any new advisory committee within the meaning of the Federal Advisory Committee Act of 1972.

VI. Oversight Findings

The Committee makes no oversight findings with respect to this legislation.

In regard to clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives, no oversight findings have been submitted to the Committee by the Committee on Government Operations.

VII. Statement of the Committee on Government Operations

No statement has been received on the legislation from the House Committee on Government Operations.

VIII. New Budget Authority

In regard to clause 2(l)(3)(B) of rule XI of the Rules of the House of Representatives, the bill creates no new budget authority on increased tax expenditures for the Federal judiciary.

IX. Inflationary Impact Statement

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee feels that the bill will have no foreseeable inflationary impact on prices or costs in the operation of the national economy.

X. Cost Estimate

In regard to clause 7 of rule XIII of the Rules of the House of Representatives, the Committee agrees with the cost estimate of the Congressional Budget Office.

XI. Statement of the Congressional Budget Office

U.S. Congress,
Congressional Budget Office,
Washington, DC, September 29, 1988.

Hon. Peter W. Rodino, Jr.,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has reviewed H.R. 5372, the Trademark Law Revision Act of 1988, as ordered reported by the House Committee on the Judiciary, September 27, 1988. We expect that enactment of the bill would not result in any additional net cost to the federal government.

H.R 5372 would amend the Trademark Act of 1946 by establishing a system whereby individuals or concerns could apply to register marks in the U.S. Patent and Trademark Office (PTO) based on

an intention to use the mark in commerce. In addition, the bill would reduce the term of a trademark registration from twenty years to ten years. Also, additional requirements for maintaining a registration would be imposed. A final provision would permit consumers to sue companies for false advertising in connection with a trademarked product.

Based on information from PTO, we expect that the number of trademark applications processed each year would increase, resulting in greater processing costs. Because these additional costs would be fully funded by registration fees paid by applicants, we expect that no net increase in outlays would result.

We expect that other provisions of the bill would have no significant budget impact.

No costs would be incurred by state or local governments as a result of enactment of this bill.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Douglas Criscitello, who can be reached on 226-2850.

Sincerely,

JAMES L. BLUM,
Acting Director.

XII. COMMITTEE VOTE

On September 27, 1988, the Committee, with a quorum of Members being present, favorably reported H.R. 5372 by voice vote, no objections being heard.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, as shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

ACT OF JULY 5, 1946

AN ACT To provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes

TITLE I—THE PRINCIPAL REGISTER

SECTION 1. *(a)* The owner of a trademark used in connection [may register his] *may apply to register his or her* trademark under this Act on the principal register hereby established:

[(a)] *(1)* By filing in the Patent and Trademark Office—

[(1)] *(A)* a written application, in such form as may be prescribed by the Commissioner, verified by the applicant, or by a member of the firm or an officer of the corporation or association applying, specifying applicant's domicile and citizenship, the date of applicant's first use of the mark, the date of applicant's first use of the mark in commerce, the goods in connection with which the mark is used and the mode or manner in which the mark is used in connection with such

goods, and including a statement to the effect that the person making the verification believes himself, or the firm, corporation, or association in whose behalf he makes the verification, to be the owner of the mark sought to be registered, that the mark is in use in commerce, and that no other person, firm, corporation, or association, to the best of his knowledge and belief, has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when [applied to] *used on or in connection with* the goods of such other person, to cause confusion, or to cause mistake, or to deceive: *Provided,* That in the case of every application claiming concurrent use the applicant shall state exceptions to his claim of exclusive use, in which he shall specify, to the extent of his knowledge, any concurrent use by others, the [goods in connection] *goods on or 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;

[(2)] *(B)* a drawing of the mark; and

[(3)] *(C)* such numbers of specimens or facsimilies of the mark as [actually] used as may be required by the Commissioner.

[(b)] *(2)* By paying into the Patent and Trademark Office the [filing] *prescribed* fee.

[(c)] *(3)* By complying with such rules or regulations, not inconsistent with law, as may be prescribed by the Commissioner.

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

(1) By filing in the Patent and Trademark Office—

(A) a written application, in such form as may be prescribed by the Commissioner, verified by the applicant, or by a member of the firm or an officer of the corporation or association applying, specifying applicant's domicile and citizenship, applicant's bona fide intention to use the mark in commerce, the goods on or in connection with which the applicant has a bona fide intention to use the mark and the mode or manner in which the mark is intended to be used on or in connection with such goods, including a statement to the effect that the person making the verification believes himself or herself, or the firm, corporation, or association in whose behalf he or she makes the verification, to be entitled to use the mark in commerce, and that no other person, firm, corporation, or association, to the best of his or her knowledge and belief, has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive; however, with the exception of applications filed pursuant to section 44, no mark shall be registered until the applicant has met the requirments of subsection (d) of this section; and

(B) a drawing of the mark.

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

(3) By complying with such rules or regulations, not inconsistent with law, as may be prescribed by the Commissioner.

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

(d)(1) Within six months following the date of the notice of allowance provided in section 13(b)(2), the applicant must file in the Patent and Trademark Office, together with such number of specimens or facsimiles of the mark as used in commerce as may be required by the Commissioner and payment of the prescribed fee, a verified statement that the mark is in use in commerce and specifying the date of applicant's first use of the mark in commerce, those goods or services specified in the notice of allowance on or in connection with which the mark is used in commerce and the mode or manner in which the mark is used on or in connection with such goods or services. Subject to examination and acceptance of the statement of use, the mark shall be registered in the Patent and Trademark Office, and a certificate of registration shall be issued for those goods or services recited in the statement of use for which the mark is entitled to registration, and notice of registration shall be published in the Official Gazette of the Patent and Trademark Office. Such examination may include an examination of the factors set forth in subsection (a) through (f) of section 2. The notice of registration shall specify the goods or services for which the mark is registered.

(2) In exceptional circumstances the Commissioner may, upon written request of the applicant before the expiration of the 6-month period required by paragraph (1), extend the time, for periods aggregating not more than 18 months, for filing a verified statement of use required by such paragraph. Such request shall be accompanied by a verified statement that the applicant has a continued bona fide intention to use the mark in commerce and specifying those goods or services identified in the notice of allowance on or in connection with which the applicant has a continued bona fide intention to use the mark in commerce. Any request for an extension under this paragraph shall be accompanied by payment of the prescribed fee.

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

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

[(d)**]** *(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 mark. 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 desig-

nation so filed. If the person so designated cannot be found at the address given in the last designation, such notice or process may be served upon the Commissioner.

MARKS REGISTRABLE ON THE PRINCIPAL REGISTER

SEC. 2. No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

(a) * * *

* * * * * * *

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

(d) consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when applied on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive: Provided, That if the Commissioner determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce prior to (1) the earliest of the filing dates of the applications pending or of any registration issued under

this Act; (2) July 5, 1947, in the case of registrations previously issued under the Act of March 3, 1881, or February 20, 1905, and continuing in full force and effect on that date; or (3) July 5, 1947, in the case of applications filed under the Act of February 20, 1905, and registered after July 5, 1947. Use prior to the filing date of any pending application or a registration shall not be required when the owner of such application or registration consents to the grant of a concurrent registration to the applicant. Concurrent registrations may also be issued by the Commissioner when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Commissioner shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods on or in connection with which such mark is registered to the respective persons;

(e) consists of a mark which, (1) when [applied to] *used on or in connection with* the goods of the applicant is merely descriptive or deceptively misdescriptive of them, or (2) when [applied to] *used on or in connection with* the goods of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, except as indications of regional origin may be registrable under section 4 hereof, or (3) is primarily merely a surname;

(f) except as expressly excluded in paragraphs (a), (b), (c), and (d) of this section, nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Commissioner may accept as prima facie evidence that the mark has become distinctive, as [applied to] *used on or in connection with* the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the [five years next preceding the date of the filing of the application for its registration.] *five years before the date on which the claim of distinctiveness is made.*

SERVICE MARKS REGISTRABLE

SEC. 3. Subject to the provisions relating to the registration of trademarks, so far as they are applicable, service marks [used in commerce] shall be registrable, in the same manner and with the same effect as are trademarks, and when registered they shall be entitled to the protection provided herein in the case of trademarks, except when used so as to represent falsely that the owner thereof markes or sells the goods on which such mark is used. The Commissioner may establish a separate register for such service marks. Applications and procedure under this section shall conform as nearly as practicable to those prescribed for the registration of trademarks.

COLLECTIVE AND CERTIFICATION MARKS REGISTRABLE

SEC. 4. Subject to the provisions relating to the registration of trademarks, so far as they are applicable, collective and certification marks, including indications of regional [origin used in com-

merce,] *origin,* shall be registrable under this Act, in the same manner and with the same effect as are trademarks, by persons, and nations, States, municipalities, and the like, exercising legitimate control over the use of the marks sought to be registered, even though not possessing an industrial or commercial establishment, and when registered they shall be entitled to the protection provided herein in the case of trademarks, except when used so as to represent falsely that the owner or a user thereof makes or sells the goods or performs the services on or in connection with which such mark is used. The Commissioner may establish a separate register for such collective marks and certification marks. Applications and procedure under this section shall conform as nearly as practicable to those prescribed for the registration of trademarks.

USE BY RELATED COMPANIES

SEC. 5. Where a registered mark or a mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the registrant or applicant for registration, and such use shall not affect the validity of such mark or of its registration, provided such mark is not used in such manner as to deceive the public. *If first use of a mark by a person is controlled by the registrant or applicant for registration of the mark in respect to the nature and quality of the goods or services, such first use shall inure to the benefit of the registrant or applicant, as the case may be.*

DISCLAIMERS

SEC. 6. (a) The Commissioner may require the applicant to disclaim an unregistrable component of a mark otherwise registrable. An applicant may voluntarily disclaim a component of a mark sought to be registered.

(b) No disclaimer, including those made under [paragraph (d)] *subsection (e)* of section 7 of this Act, shall perjudice or affect the applicant's or registrant's rights then existing or thereafter arising in the disclaimed matter, or his right of registration on another application if the disclaimed matter be or shall have become distinctive of his goods or services.

CERTIFICATES

SEC. 7.(a) * * *

* * * * * * *

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

(1) has used the mark;

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

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

[(c)] *(d)* A certificate of registration of a mark may be issued to the assignee of the applicant[, but the]. *No certificate of registration may be issued to a related company of the applicant if the application was filed under section 1(b), if the use in commerce relied upon in the affidavit of use was use by the related company and if, at the time such use was made, there was an agreement between the applicant and the related company that the mark should be assigned to the related company. The* assignment must first be recorded in the Patent and Trademark Office. In case of change of ownership the Commissioner shall, at the request of the owner and upon a proper showing and the payment of the [fee herein provided] *prescribed fee,* issue to such assignee a new certificate of registration of the said mark in the name of such assignee, and for the unexpired part of the original period.

[(d)] *(e)* Upon application of the registrant the Commissioner may permit any registration to be surrendered for cancelation, and upon cancelation appropriate entry shall be made in the records of the Patent and Trademark Office. Upon application of the registrant and payment of the prescribed fee, the Commissioner for good cause may permit any registration to be amended or to be disclaimed in part: *Provided,* That the amendment or disclaimer does not alter materially the character of the mark. Appropriate entry shall be made in the records of the Patent and Trademark Office and upon the certificate of registration or, if said certificate is lost or destroyed, upon a certified copy thereof.

[(e)] *(f)* Copies of any records, books, papers, or drawings belonging to the Patent and Trademark Office relating to marks, and copies of registrations, when authenticated by the seal of the Patent and Trademark Office and certified by the Commissioner, or in his name by an employee of the Office duly designated by the Commissioner, shall be evidence in all cases wherein the originals would be evidence; and any person making application therefor and paying the [fee required by law] *prescribed fee* shall have such copies.

[(f)] *(g)* Whenever a material mistake in a registration, incurred through the fault of the Patent and Trademark Office, is clearly disclosed by the records of the Office a certificate stating the fact and nature of such mistake, shall be issued without charge and recorded and a printed copy thereof shall be attached to each printed copy of the registration and such corrected registration shall thereafter have the same effect as if the same had been originally issued in such corrected form, or in the discretion of the Commissioner a new certificate a registration may be issued without charge. All certificates of correction heretofore issued in accordance with the rules of the Patent and Trademark Office and the registrations to which they are attached shall have the same force and effect as if such certificates and their issue had been specifically authorized by statute.

[(g)] *(h)* Whenever a mistake has been made in a registration and a showing has been made that such mistake occurred in good faith through the fault of the applicant, the Commissioner is authorized to issue a certificate of correction or, in his discretion, a new certificate upon the payment of the [required fee] *prescribed fee: Provided,* That the correction does not involve such changes in the registration as to require republication of the mark.

DURATION

SEC. 8. (a) Each certificate of registration shall remain in force for [twenty] *ten* years: *Provided,* That the registration of any mark under the provisions of this Act shall be canceled by the Commissioner at the end of six years following its date, unless wtihin 1 year next preceding the expiration of such six years the registrant shall file in the Patent and Trademark Office an affidavit showing that said mark is in use in commerce or showing that its nonuse is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark. Special notice of the requirement for such affidavit shall be attached to each certificate of registration.

* * * * * * *

RENEWAL

SEC. 9. (a) Each registration may be renewed for periods of [twenty] *ten* years from the end of the expiring period upon payment of the prescribed fee and the filing of a verified application therefor, setting forth those goods or services recited in the registration on or in connection with which the mark is still in use in commerce and having attached thereto a specimen or facsimile showing current use of the mark, or showing that any nonuse is due to special circumstances which excuse such nonuse and it is not due to any intention to abandon the mark. Such application may be made at any time within six months before the expiration of the period for which the registration was issued or renewed, or it may be made within three months after such expiration of payment of the additional fee herein prescribed.

(b) If the Commissioner refuses to renew the registration, he shall notify the registrant of his refusal and the reasons therefor.

(c) An applicant for renewal not domiciled in the United States shall be subject to and comply with the provisions of section 1(d) hereof.

ASSIGNMENT

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

In any assignment authorized by this section it shall not be necessary to include the goodwill of the business connected with the use of and symbolized by any other mark used in the business or by the name or style under which the business is conducted. Assignments shall be by instruments in writing duly executed. Acknowledgment shall be prima facie evidence of the execution of an assignment and when recorded in the Patent and Trademark Office the record shall be prima facie evidence of execution. An assignment shall be void as against any subsequent purchaser for a valuable consideration without notice, unless it is recorded in the Patient and Trademark Office within 3 months after the date thereof or prior to such subsequent purchase. A separate record of assignments submitted for recording hereunder shall be maintained in the Patent and Trademark Office. An assignee not domiciled in the United States shall be subject to and comply with the provisions of section [1 (d)] *1(e)* hereof.

* * * * * * *

PUBLICATION

SEC. 12. (a) Upon the filing of an application for registration and payment of the [fee herein provided] *prescribed fee,* the Commissioner shall refer the application to the examiner in charge of the registration of marks, who shall cause an examination to be made and, if on such examination it shall appear that the applicant is entitled [to registration, the] *to registration, or would be entitled to registration upon the acceptance of the statement of use required by section 1(d) of this Act, the* Commissioner shall cause the mark to be published in the Official Gazette of the Patent Office *Provided,* That 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, if otherwise registrable, may be published subject to the determination of the rights of the parties to such proceedings.

* * * * * * *

OPPOSITION

SEC. 13. *(a)* Any person who believes that he would be damaged by the registration of a mark upon the principal register may, upon payment of the [required fee] *prescribed fee,* file an opposition in the Patent and Trademark Office, stating the grounds therefor, within thirty days after the publication under subsection (a) of section 12 of this Act of the mark sought to be registered. Upon written request prior to the expiration of the thirty-day period, the time for filing opposition shall be extended for an additional thirty days, and further extensions of time for filing opposition may be granted by the Commissioner for good cause when requested prior to the expiration of an extension. The Commissioner shall notify the applicant of each extension of the time for filing opposition. An opposition may be amended under such conditions as may be prescribed by the Commissioner.

(b) Unless registration is successfully opposed—

(1) a mark entitled to registration on the principal register based on an application filed under section 1(a) or pursuant to

section 44, shall be registered in the Patent and Trademark Office, and a certificate of registration issued, and notice of the registration shall be published in the Official Gazette of the Patent and Trademark Office; or

(2) a notice of allowance shall be issued to the applicant if the applicant applied for registration under section 1(b).

CANCELATION

SEC. 14. A petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed by any person who believes that he is or will be damaged by the registration of a mark on the principal register established by this Act, or under the Act of March 3, 1881, or the Act of February 20, 1905—

(a) * * *

* * * * * * *

[(c) at any time if the registered mark becomes the common descriptive name of an article or substance, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of section 4 or of subsections (a), (b), or (c) of section 2 of this Act for a registration hereunder, or contrary to similar prohibitory provisions of said prior Acts for a registration thereunder, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services in connection with which the mark is used. A registered mark shall not be deemed to be the common descriptive name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the common descriptive name of goods or services in connection with which it has been used; or]

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

tered mark has become the generic name of goods or services on or in connection with which it has been used; or

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SEC. 15. Except on a ground for which application to cancel may be filed at any time under subsections (c) and (e) of section 14 of this Act, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continging from a date prior to the date of registration under this Act of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for 5 consective years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: *Provided,* That—

(1) * * *

* * * * * * *

(4) no incontestable right shall be acquired in a mark name which is [the common descriptive name of any article or substance, patented or otherwise] *the generic name for the goods or services or a portion thereof, for which it is registered.*

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INTERFERENCE

SEC. 16. Upon petition showing extraordinary circumstances, the Commissioner may declare that an interference exists when application is made for the registration of a mark which so resembles a mark previously registered by another, or for the registration of which another has previously made application, as to be likely when [applied to the goods or when used in connection with the services] *used on or in connection with the goods or services* of the applicant to cause confusion or mistake or to deceive. No interference shall be declared between an application and the registration of a mark the right to the use of which has become incontestable.

* * * * * * *

SEC. 18. In such proceedings the Commissioner may refuse to register the opposed mark, may cancel [or restrict] *the registration, in whole or in part, may modify the application or registration by limiting the goods or services specified therein, may otherwise restrict or rectify with respect to the register* the registration of a registered mark, or may refuse to register any or all of several interfering marks, or may register the mark or marks for the person or persons entitled thereto, as the rights of the parties hereunder may be established in the proceedings: *Provided,* That in the case of the registration of any mark based on concurrent use, the Commissioner shall determine and fix the conditions and limitations provided for in subsection (d) of section 2 of this Act.

SEC. 21. (a)(1) An applicant for registration of a mark, party to an interference proceeding, party to an opposition proceeding, party to an application to register as a lawful concurrent user, party to a cancellation proceeding, a registrant who has filed an affidavit as

provided in section 8, or an applicant for renewal, who is dissatisfied with the decision of the Commissioner or Trademark Trial and Appeal Board, may appeal to the United States Court of Appeals for the Federal Circuit thereby waiving his right to proceed under [section 21(b)] *subsection (b)* hereof: *Provided,* That such appeal shall be dismissed if any adverse party to the proceeding, other than the Commissioner, shall, within twenty days after the appellant has filed notice of appeal according to [section 21(a)(2) hereof,] *paragraph (2) of this subsection,* files notice with the Commissioner that he elects to have all further proceedings conducted as provided in [section 21(b)] *subsection (b)* hereof. Thereupon the appellant shall have thirty days thereafter within which to file a civil action under said [section 21(b)] *subsection (b),* in default of which the decision appealed from shall govern the further proceedings in the case.

* * * * * * *

(b)(1) Whenever a person authorized by [section 21(a)] *subsection (a)* hereof to appeal to the United States Court of Appeals for the Federal Circuit is dissatisfied with the decision of the Commissioner or Trademark Trial and Appeal Board, said person may, unless appeal has been taken to said United States Court of Appeals for the Federal Circuit have remedy by a civil action if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in [section 21(a).] *subsection (a).* The court may adjudge that an applicant is entitled to a registration upon the application involved, that a registration involved should be canceled, or such other matter as the issues in the proceeding require, as the facts in the case may appear. Such adjudication shall authorize the Commissioner to take any necessary action, upon compliance with the requirements of law.

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TITLE II—THE SUPPLEMENTAL REGISTER

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CANCELLATION

SEC. 24. Marks for the supplemental register shall not be published for or be subject to opposition, but shall be published on registration in the Official Gazette of the Patent and Trademark Office. Whenever any person believes that he is or will be damaged by the registration of a mark on this register he may at any time, upon payment of the prescribed fee and the filing of a [verified] petition stating the ground therefor, apply to the Commissioner to cancel such registration. The Commissioner shall refer such application to the Trademark Trial and Appeal Board which shall give notice thereof to the registrant. If it is found after a hearing before the Board that the registrant was not entitled to register the mark at the time of his application for registration thereof, or that the

mark is not used by the registrant or has been abandoned, the registration shall be canceled by the Commissioner.

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GENERAL PROVISIONS

SEC. 26. The provisions of this Act shall govern so far as applicable applications for registration and registrations on the supplemental register as well as those on the principal register, but applications for and registrations on the supplemental register shall not be subject to or receive the advantages of sections *1(b),* 2(e), 2(f), 7(b), *7(c),* 12(a), 13 to 18, inclusive, 22, 33, and 42 of this Act.

* * * * * * *

TITLE III—NOTICE OF REGISTRATION

SEC. 29. Notwithstanding the provisions of section 22 hereof, a registrant of a mark registered in the Patent Office, may give notice that his mark is registered by displaying with the mark [as used] the words "Registered in U.S. Patent and Trademark Office" or "Reg. U.S. Pat. & Tm. Off." or the letter R enclosed within a circle, thus ®; and in any suit for infringement under this Act by such a registrant failing to give such notice of registration, no profits and no damages shall be recovered under the provisions of this Act unless the defendant had actual notice of the registration.

TITLE IV—CLASSIFICATION

SEC. 30. The Commissioner may establish a classification of goods and services, for convenience of Patent and Trademark Office administration, but not to limit or extend the applicant's *or registrant's* rights. The applicant may [file an application] *apply* to register a mark for any or all of the [goods and services upon or in connection with which he is actually using the mark: *Provided,* That when such goods or services fall within a plurality of classes, a fee equaling the sum of the fees for filing an application in each class shall be paid, and the Commissioner may issue a single certificate of registration for such mark.] *goods or services on or in connection with which he or she is using or has bona fide intention to use the mark in commerce: Provided, That if the Commissioner by regulation permits the filing of an application for the registration of a mark for goods or services which fall within a plurality of classes, a fee equaling the sum of the fees for filing an application in each class shall be paid, and the Commissioner may issue a single certificate of registration for such mark.*

* * * * * * *

TITLE VI—REMEDIES

SEC. 32. (1) * * *

(2) Notwithstanding any other provision of this Act, the remedies given to the owner of the right infringed shall be limited as follows: (a) Where an infringer is engaged solely in the business of

printing the mark for others and establishes that he was an innocent infringer the owner of the right infringed shall be entitled as against such infringer only to an injunction against future printing; (b) where the infringement complained of is contained in or as part of paid advertising matter in a newspaper, magazine, or other similar periodical the remedies of the owner of the right infringed as against the publisher or distributor of such newspaper, magazine or other similar periodical shall be confined to an injunction against the presentation of such advertising matter in future issues of such newspapers, magazines, or other similar periodical: *Provided,* That these limitations shall apply only to innocent infringers; (c) [injunction] *injunctive* relief shall not be available to the owner of the right infringed in respect of an issue of a newspaper, magazine, or other similar periodical containing infringing matter when restraining the dissemination of such infringing matter in any particular issue of such periodical would delay the delivery of such issue after the regular time therefor, and such delay would be due to the method by which publication and distribution of such periodical is customarily conducted in accordance with sound business practice, and not to any method or device adopted for the evasion of this section or to prevent or delay the issuance of an injunction or restraining order with respect to such infringing matter.

SEC. 33. (a) Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this Act and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of *or in connection with* registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered.

(b) If the right to use the registered mark has become incontestable under section 15 hereof, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the affidavit filed under the provisions of said section 15 subject to any conditions or limitations stated therein except when one of the following defenses or defects is established:

(1) * * *

* * * * * * *

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to [registration of the mark under this Act or] *(A) the date of constructive use of the mark established pursuant to section 7(c), (B) the registration of the mark under this Act if the application for registration is filed prior to the effective date of the Trademark Law Revision Act of 1988, or (C)* publication of the registered mark under subsection (c) of section 12 of this Act: *Provided, however,* That this defense or defect shall apply only for the area in which such continuous prior use is proved; or

SEC. 34. (a) * * *

* * * * * * *

(d)(1)(A) In the case of a civil action arising under section 32(1)(a) of this Act (15 U.S.C. 1114) or section 110 of the Act entitled "An Act to incorporate the United States Olympic Association", approved September 21, 1950 (36 U.S.C. 380) with respect to a violation that consists of using a counterfeit mark *on or* in connection with the sale, offering for sale, or distribution of goods or services, the court may, upon ex parte application, grant an order under subsection (a) of this section pursuant to this subsection providing for the seizure of goods and counterfeit marks involved in such violation and the means of making such marks, and records documenting the manufacture, sale, or receipt of things involved in such violation.

* * * * * * *

(4) The court shall not grant such an application unless—

(A) the person obtaining an order under this subsection provides the security determined adequate by the court for the payment of such damages as any person may be entitled to recover as a result of a wrongful seizure or wrongful attempted seizure under this subsection; and

(B) the court finds that it clearly appears from specific facts that—

(i) an order other than an ex parte seizure order is not adequate to achieve the purposes of section 32 of this Act (15 U.S.C. 1114);

(ii) the applicant has not publicized the requested seizure;

(iii) the applicant is likely to succeed in showing that the person against whom seizure would be ordered used a counterfeit mark *on or* in connection with the sale, offering for sale, or distribution of goods or services;

* * * * * * *

SEC. 39. *(a)* The district and territorial courts to the United States shall have original jurisdiction, the circuit courts of appeal of the United States (other than the United States Court of Appeals for the Federal Circuit) and the United States Court of Appeals for the District of Columbia shall have appellate jurisdiction, of all actions arising under this Act, without regard to the amount of controversy or to diversity or lack of diversity of the citizenship of the parties.

[SEC. 39a.] *(b)* No State or other jurisdiction of the United States or any political subdivision or any agency thereof may require alteration of a registered mark, or require that additional trademarks, [servicemarks] *service marks,* trade names, or corporate names that may be associated with or incorporated into the registered mark be displayed in the mark in a manner differing from the display of such additional trademarks, [servicemarks] *service marks,* trade names, or corporate names contemplated by

the registered mark as exhibited in the certificate of registration issued by the United States Patent and Trademark Office.

* * * * * * *

TITLE VIII—FALSE DESIGNATIONS OF ORIGIN AND FALSE DESCRIPTIONS FORBIDDEN

SEC. 43. (a) Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or the region in which said locality is situated, or by any person, *including a consumer,* who believes that he is or is likely to be damaged by the use of any such false description or representation.

* * * * * * *

TITLE IX—INTERNATIONAL CONVENTIONS

SEC. 44. (a) The Commissioner shall keep a register of all marks communicated to him by the international bureaus provided for by the conventions for the protection of industrial property, trademarks, trade and commercial names, and the repression of unfair competition to which the United States is or may become a party, and upon the payment of the fees required by such conventions and the fees herein prescribed may place the marks so communicated upon such register. This register shall show a facsimile of the mark or trade or commercial name; the name, citizenship, and address of the registrant; the number, date, and place of the first registration of the mark, including the dates on which application for such registration was filed and granted and the term of such registration; a list of goods or services to which the mark is applied as shown by the registration in the country of origin, and such other data as may be useful concerning the mark. This register shall be a continuation of the register provided in section 1 (a) of the Act of March 19, 1920.

(b) Any person whose country of origin is a party to any convention or treaty relating to trademarks, trade or commercial names, or the repression of unfair competition, to which the United States is also a party, or extends reciprocal rights to nationals of the United States by law, shall be entitled to the benefits of this section under the conditions expressed herein to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of a mark is otherwise entitled by this Act.

(c) No registration of a mark in the United States by a person described in [paragraph] *subsection* (b) of this section shall be granted until such mark has been registered in the country of

origin of the applicant, unless the applicant alleges use in commerce.

For the purposes of this section, the country of origin of the applicant is the country in which he has a bona fide and effective industrial or commercial establishment, or if he has not such an establishment the country in which he is domiciled, or if he has not a domicile in any of the countries described in [paragraph] *subsection* (b) of this section, the country of which he is a national.

(d) An application for registration of a mark under sections [1, 2, 3, 4, or 23] *section 1, 3, 4, 23, or 44(e)* of this Act filed by a person described in [paragraph] *subsection* (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] *subsection* (b) shall be accorded the same force and effect as would be accorded to the same application if filed in the United States on the same date on which the application was first filed in such foreign country: *Provided,* That—

(1) the application in the United States if filed within 6 months from the date on which the application was first filed in the foreign country;

(2) the application conforms as nearly as practicable to the requirements of this Act, [but use in commerce need not be alleged] *including a statement that the applicant has a bona fide intention to use the mark in commerce;*

(3) the rights acquired by third parties before the date of the filing of the first application in the [foreing] *foreign* country shall in no way be affected by a registration obtained on an application filed under this subsection (d);

* * * * * * *

(e) A mark duly registered in the country of origin of the foreign applicant may be registered on the principal register if eligible, otherwise on the supplemental register herein provided. The application therefor shall be accompanied by a certification or a certified copy of the registration in the country of origin of the applicant. *The application must state the applicant's bona fide intention to use the mark in commerce, but use in commerce shall not be required prior to registration.*

(f) The registration of a mark under the provisions of [paragraphs] *subsections* (c), (d), and (e) of this section by a person described in [paragraph] *subsection* (b) shall be independent of the registration in the country of origin and the duration, validity, or transfer in the United States of such registration shall be governed by the provisions of the Act.

(g) Trade names or commercial names of persons described in [paragraph] *subsection* (b) of this section shall be protected without the obligation of filing or registration whether or not they form parts of marks.

(h) Any person designated in [paragraph] *subsection* (b) of this section as entitled to the benefits and subject to the provisions of this Act shall be entitled to effective protection against unfair competition, and the remedies provided herein for infringement of

marks shall be available so far as they may be appropriate in repressing acts of unfair competition.

(i) Citizens or residents of the United States shall have the same benefits as are granted by this section to persons described in [paragraph] *subsection* (b) hereof.

TITLE X—CONSTRUCTION AND DEFINITIONS

SEC. 45. In the construction of this Act, unless the contrary is plainly apparent from the context:

* * * * * * *

[The term "trademark" includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify and distinguish his goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.] *The term "trademark" includes any word, name, symbol, or device or any combination thereof used by a person, or which a person has a bona fide intention to use in commerce and for which such person applies for registration on the principal register established by the Act, to identify and distinguish his or her goods, including a unique product, form those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.*

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

[The term "certification mark" means a mark used upon or in connection with the products or services of one or more persons other than the owner of the mark to certify regional or other origin, material, made of manufacture, quality, accuracy or other characteristics of such goods or services or that the work on labor on the goods or services was performed by members of a union or other organization.] *The term "certification mark" means any word, name, symbol, or device or any combination thereof used by a person other than its owner, or for which there is a bona fide intention for such use in commerce through the filing of an application for registration on the principal register established by this Act, to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person's goods or*

services or that the work or labor on the goods or services was performed by members of a union or other organization.

[The term "collective mark" means a trademark or service mark used by the members of a cooperative, an association or other collective group or organization and includes marks used to indicate membership in a union, an association or other organization.] *The term "collective mark" means a trademark or service mark used by the members of a cooperative, an association, or other collective group or organization, or which such entity has a bona fide intention to use in commerce and for which it applies for registration on the principal register established by this Act, and includes marks indicating membership in a union, an association, or other organization.*

[For the purposes of this Act a mark shall be deemed to be used in commerce (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or label afixed thereto and the goods are sold or transported in commerce and (b) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in this and a foreign country and the person rendering the services is engaged in commerce in connection therewith.

[A mark shall be deemed to be "abandoned"—

[(a) when its use has been discontinued with intent not to resume. Intent not to resume may be inferred from circumstances. Non-use for two consecutive years shall be prima facie abandonment.

[(b) when any course of conduct of the registrant, including acts of omission as well as commission, causes the mark to lose its significance as an indication of origin. Purchaser motivation shall not be a test for determining abandonment under this subparagraph.]

The term "use in commerce" means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this Act, a mark shall be deemed to be in use in commerce—

(1) on goods when—

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, and

(B) the goods are sold or transported in commerce, and

(2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection therewith.

A mark shall be deemed to be "abandoned"—

(1) when its use has been discontinued with intent not to resume. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be prima facie evidence of abandonment. "Use" means use made in the ordinary course of trade and not made merely to reserve a right in a mark; or

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

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SEC. 51 All certificates of registration based upon applications for registration pending in the Patent and Trademark Office on the effective date of the Trademark Law Revision Act of 1988 shall remain in force for a period of 10 years.

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