HR 657

71ST CONGRESS HOUSE OF REPRESENTATIVES

REPORT No. 657

PROTECTION OF TRADE--MARKS USED IN COMMERCE

FEBRUARY 11, 1930.----Committed to the Committee of the Whole House on the state of the Union and ordered to be printed
Mr. VESTAL from the Committee on Patents, submitted the following

REPORT

[To accompany H. R. 2828]

The Committee on Patents, to which was referred the bill (H. R. 2828) to protect trade--marks used in commerce, to authorize the registration of such trade--marks, and for other purposes, having had the same under consideration, now reports the bill back to the House with certain amendments, and with the recommendation that the same, as so amended, do pass.

The amendments adopted by the committee are as follows: Page 2, line 4, after "trade--mark", insert "on said goods"; line 12, cancel "$ 10" and insert "$ 15".

Page 4, beginning with line 8, rewrite paragraph (g), as follows:

(g) Registrations of a mark under the act of February 20, 1905, or under sections 1, 2, 4 (b) and 23 of this act, except under paragraph (f) of section 2 of this act, shall be prima facie evidence of ownership as of the date the application was filed. This shall not apply to registrations under the act of March 19, 1920, or under sections 3 or 4 (a) of this act. Registration of a mark by virtue of paragraph (f) of this section shall be prima facie evidence of secondary meaning distinguishing the registrant's goods as of the date the application was filed. It shall be unlawful for any person other than the registrant, after the date of the registration to use in commerce any registered trade--mark on the same class of goods unless he has begun such use prior to the date of registration.

Page 5, line 24, cancel "(1)" and substitute "(a)".

Page 16, line 19, cancel "$ 10" and insert in lieu thereof "$ 15".

Page 18, line 17, after "Sec. II", insert "(a)".

Page 19, line 13, before "Certificates" insert "(b)".

Page 20, lines 2 and 3, cancel all after "act" and insert in lieu thereof the following:

(c) Application for renewal of certificates of registration under the acts of March 3, 1881, February 20, 1905, and March 19, 1920, shall be examined and classified as applications under sections 1, 2, 3, 4, or 23, respectively, but they shall not be published for opposition nor, while pending, be involved in interferences, and the certificates of renewal, when issued, shall have the same force and effect as certificates issued under the respective sections of this act.

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Line 13, after "under", as first used, insert "section 1 (b) of"; Line 25, after "under", as first used, insert "section 1(b) of". Page 28, line 19, cancel "$ 10" and insert "$ 15"; line 21, cancel "$ 20" and insert "$ 25"; line 22, cancel "$ 10" and
insert "$ 15"; line 23, cancel "$ 10" and insert "$ 15".

Page 29, line 3, after "correction" and before the comma insert "under section 10(e)"; line 4, cancel "$ 15" and insert "$ 20"; line 6, cancel "$ 15" and insert "$ 25"; line 14, after the word "paper" insert "$ 3", and strike out rest of line 14, all of lines 15 and 16, and $1 on line 17; line 19, cancel "25" and insert "50"; line 20, make "commission" read "commissioner".
Page 35, line 10, after "by" insert", or in opposition or cancellation proceedings employ,"; lines 13 and 14, cancel", and such fraudulent declaration or representation shall constitute perjury".
Page 38, line 17, after "found", insert "or if the registrant is a foreigner and no such designation has been filed, then in the District of Columbia".
Page 39, line 3, cancel "such order or decree" and insert "An order or decree for either party,"; line 4, after "appealable," insert "provided the petition for appeal is filed in 30 days,".
Page 40, line 16, after the word "person" insert "user".
Page 41, line 21, cancel the word "passage" and insert in lieu thereof the word "enactment".
Page 43, line 14, cancel "1929" and insert "1930"; line 18, cancel "1929" and insert "1930".
The antecedent bill, substantially the same as the present one, has already passed the House twice----once in the Sixty-ninth Congress (H. R. 13486) and once in the Seventieth (H. R. 13109). Before any hearings were had in the present Congress the Commissioner of Patents called a conference at the Patent Office and requested each of the patent law associations throughout the country to send a representative, and also invited a number of persons who were known to be opposed to the form of the bill. In response to this invitation a conference was had at the Patent Office consisting of the following:
Representatives of the American Bar Association; the Boston Patent Law Association; New York State Bar Association; Cleveland Patent Law Association; Michigan Patent Law Association; the American Grocery Specialty Manufacturers' Association; the American Pharmaceutical Association; the National Association of Retail Grocers; United States Trade--Mark Association; and the National Confectioners' Association.
In addition to these, the American Patent Law Association sent a representative as an auditor, but without instruction to take part in reframing the bill.
The object of this meeting was to see whether or not those who were opposed to the form of the bill could get together with those advocating the bill and iron out their points of difference. This conference reported to the meeting of the Committee on Patents held March 9, 1928, that they had been able to iron out the difficulties with the bill to a very large extent, and thereupon Mr. Stoughton Bell, of Boston, in behalf of the conferees, submitted to the committee the various changes which had been recommended. The changes thus made and presented resulted in the reprinting of the bill in order that it might

be carefully studied (H. R. 11983), and a subsequent hearing was then afforded by the committee so those could be heard who were still opposed to the bill in its new form.
The subsequent hearing was held on March 30 and 31, 1928, and resulted in still further changes, so that the bill, with the additional amendments, was reintroduced, as above stated, as H.R. 13109. That bill received the unanimous approval of the Committee on Patents and passed the House May 21, 1928.
Action on the bill was not taken in the Senate, and at the beginning of the present session the bill was reintroduced as H. R. 2828, and on January 17 and 18, 1930, extended hearings were again had before the committee, at which time certain phases of the bill to which some objection was found were fully presented but the bill as a whole commended.

The purpose of the bill is to incorporate into one act the various Federal trade--mark acts; to substitute for the act of March 19, 1920, provisions for carrying into effect the convention signed at Santiago, Chile, on April 28, 1923, and ratified, with certain reservations, by the Senate of the United States on February 24, 1925; to overcome any inconsistencies in the various laws; to remove defects developed in the operation of the different laws; and in so doing to apply the common law of trade--marks to interstate commerce.

To accomplish the end above mentioned, the committee of the American Bar Association attempted to retain all of the good features of the present statutes, and thus many features of the bill are merely restatements of the present law. Some of the new features embodied in this act are as follows:

Section 2(f) provides for registration of marks which have acquired a secondary meaning distinguishing the applicant's goods. There has been much demand for this feature of the bill and likewise there has been opposition to it. Hence the registration of such marks is permitted only when it shall be shown by proof convincing beyond a reasonable doubt that the mark has acquired a secondary meaning distinguishing the applicant's goods.

All of section 3 is necessary in order to carry out our treaty obligations respecting the convention heretofore mentioned, signed at Santiago, Chile, and ratified by the Senate on February 24, 1925. The essential reservations incorporated by the Senate have been included in the bill.

Section 4 is intended as a substitute for paragraph (b) of section 1 of the act of March 19, 1920. The act hereby repealed permits one to register a mark without being subject to opposition proceedings, and its purpose was to permit one to register a mark quickly and easily in order to obtain registration in foreign countries; but the act of March 19, 1920, is defective in that (1) it fixes no term, (2) it enables the mark to be used to stop importation, and (3) the decision of the Commissioner of Patents is final and no appeal can be taken therefrom to the courts.

Section 4 of the present bill is intended to provide a speedy registration of marks to be used upon merchandise exported from the United States, and this is important, since it is necessary to register in this country before registering in many of the foreign countries in order to prevent piracy in those countries. Although this section does not permit opposition proceedings, it does provide for the can-

cellation of any marks which are improperly registered, and does not permit them to be used to stop importations. Furthermore, a term of 20 years is fixed for all certificates of registration, and section 31 provides that registrations already issued under the act of 1920 shall expire in 20 years from date of registration, and that such registration shall not be used to stop importations.

Section 5 authorizes the entry in the Patent Office of marks in use so as to give the Patent Office as complete a file of existing trademarks as it is possible to obtain, so that they may be used for search purposes. The Patent Office at present does not have accessible for official search purposes, or for search by the public, all marks used in commerce, but only those which have been registered, and it is hoped that in the course of time this section will enable the Patent Office to have a large assemblage of marks to which manufacturers may refer in order to determine whether some mark which they may wish to adopt can be safely used. The bill is so worded that the entrant receives no protection except that his mark is placed on record so that the same mark will not be registered to some one else. The Commissioner of Patents believes that this deposit system will be of vital importance to manufacturers and will make it possible for them, in a much larger measure than heretofore, to avoid trespassing on the rights of other

manufacturers. Section 5 very clearly specifies that an entry under this section shall have no legal effect except as evidence that at the date of entry the entrant claimed a right in the entered mark. Provision is also made for the removal of an entry at the end of five years, unless within three months next preceding the expiration of such five years, the entrant or his successor in business shall file in the Patent Office an affidavit that the mark is still in use by the entrant or his successor in business. It is also provided that the entered mark: shall not of itself be ground for rejection of an application for registration.

The bill also, of course, provides for registration of technical trademarks, and for interference and cancellation proceedings substantially in accordance with the present statute.

Section 11 provides that while the term for registration shall be 20 years, any mark shall be canceled at the end of five years unless within three months preceding the expiration of such five years the registrant shall file in the Patent Office an affidavit showing the mark is still in use by him.

It is also provided that whenever a mistake is made, which has occurred through the fault of the applicant, a certificate of correction may be issued upon the payment of a specified fee.

The bill as it passed the House in the Sixty--ninth Congress provided for plural registration, but there has been so much opposition to this that the present bill provides for plural registration only to a subsidiary or subsidiaries, or to the representative or representatives of the registrant of a mark. This will be found specially useful in cases of protection of trade--marks in foreign countries where a registrant in this country has a subsidiary organization doing business under its name in a foreign country.

The bill carries out our treaty obligation by permitting (see sec. 23), registration of "collective" marks, in that "any corporation, union, agricultural or other association, being the owner thereof may register any trade name, or device, including union labels, collective

marks, and the marks of associations used in commerce upon or in relation to specific goods or specific service," etc.

This bill also provides for an increase in the fees for registering trade--marks, from $10 to $15; but this increase is found necessary to pay the expense of such registration, the present $10 fee being inadequate. No objection was expressed by any person appearing before the committee to these increased fees.

The bill also attempts to simplify proceedings, to remove technical obstructions, to make trade--mark property more secure, and to make remedies against infringement more direct and certain; to save time and expensive litigation; to provide an entry system at practically the cost of administering the same, so as to make it possible for manufacturers to learn what marks are being used by competing manufacturers; to speed up the process by which marks to American manufacturers may be registered in foreign countries, and, generally speaking, to obtain whatever benefits registration may give to the greatest possible number of manufacturers.