SR 1685

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SENATE REPORT No.1685

REGISTRATION AND PROTECTION OF TRADEMARKS JUNE 24, 1960.----Ordered to be printed

Mr. O'MAHONEY, from the Committee on the Judiciary, submitted the following

REPORT
[To accompany S. 2429]
The Committee on the Judiciary, to which was referred the bill (S. 2429) to amend the act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes," approved July 5, 1946, as amended, having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

AMENDMENTS
Page 1, line 6, between the words "of" and "international". insert the word "certain".
Page 2, line 19, strike out the word "granted" and insert in lieu thereof the word "issued".
Page 4, line 8, strike the word "and".
Page 4, line 9, change the period to a semicolon and add the words "and by striking the words "the grant of".
Page 4, lines 13 and 14, change the word "cancellation"; appearing in both lines to "cancelation".
Page 5, line 5, transpose the punctuation to read "Patent Office';".
Page 9, line 6, strike out "(d),".
Page 14, line 23, change "receptables" to the word "receptacles".
Page 16, lines 18 and 19, strike the following: "inserting a period after the word "mark", third occurrence, and".
Page 17, line 15, change the word "of" to "or".

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Page 18, line 7, change "programs" to the word "programs".
Pages 18 and 19, delete all of Section 22.
Amend the title so as to read:

To amend the act entitled "An Act to provide for the registration and protection of trademarks used in
commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946, as amended.

PURPOSE OF AMENDMENTS

The purpose of the amendments is to correct typographical errors and to clarify certain portions of the bill, as introduced.

PURPOSE

The purpose of the proposed legislation, as amended, is to make a number of miscellaneous clarifying and correcting amendments to the so--called Trademark Act. These amendments affect details of registration, administrative and court procedure, internal organization of the Patent Office regarding trademark matters, and refinements in language.

STATEMENT

The Department of Justice in its report on the bill states that the subject of the legislation is not a matter for which the Department of Justice has primary responsibility and, accordingly, makes no recommendation as to the enactment of this bill.

The Department of State in its report perceives no objection to the enactment of the bill, and expresses its support for section 20 thereof as it regards the applicability of the act to nationals of foreign countries.

The report of the Treasury Department states that it has no recommendations to make because the proposed legislation relates to matters primarily within the jurisdiction of the Department of Commerce.

The Federal Trade Commission in its report, after commenting upon section 14 and section 10 of the bill, states that S. 2429 deals primarily with matters of administration and procedure and would not directly affect the duties or functions of the Federal Trade Commission and, therefore, offers no further comment.

The Secretary of Commerce in his report to the committee recommends enactment of the bill, with certain technical and clarifying amendments.

The departmental reports above referred to are hereto attached and made a part of this report.

The memorandum of the Secretary of Commerce which accompanies his report to the committee is not attached for the reason that the contents thereof are contained in the body of this report.

Hearings on similar legislation were held before the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary on March 25, 1954. The bill then under consideration was S. 2540 of the 83d Congress. That bill was reported by the committee to the Senate and passed that body, but no action was taken by the House of Representatives. The present bill does not encompass all of the provisions of S. 2540 of the 83d Congress and, therefore, is not nearly so broad in scope as the previous bill.

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It might be well to relate some of the history of the trademark laws of the United States which led up to the legislation now at hand. On July 5, 1946, the trademark laws of the United States were revised by Public Law 489, 79th Congress (ch. 540,2d sess. 60 Stat. 427), known as the Lanham Trademark Act. It became effective on July 5, 1947, 1 year after its enactment, and completely rewrote the trademark laws of the United States and made a large number of substantial changes. During the period (about 13 years) that this act has been in operation the need of some revisions has become evident.

In 1948 representatives of some 26 legal and trade associations concerned with trademark matters were formed into a committee to study and recommend what changes in the Trademark Act could be agreed upon as necessary or desirable. As a result thereof, S. 1957 of the 82d

Congress, incorporating proposed changes in the trademark laws as recommended by this committee, was introduced. That bill was the subject of considerable study and of further suggestions from individuals, associations, and Government departments. On July 31, 1953, a bill representing many of such suggestions was introduced in the 83d Congress. This bill was S. 2540, which has been previously referred to. As stated, that bill was the subject of hearings; amendments were made, and a bill as an amendment in the nature of a substitute was drafted. The hearings were held on March 25, 1954, and representatives of interested associations recommended enactment of the legislation. The various Government departments interested in the subject matter of the bill submitted reports of their views. The bill was then favorably reported on August 5, 1954, and was passed by the Senate on August 11, 1954, but, as stated, was not acted upon by the House of Representatives prior to adjournment.

Again, in the 84th Congress a bill was introduced which was in the wording of S. 2540, being S. 215 of the 84the Congress, but no action was taken thereon. The present bill is similar to these previous bills but, as stated, does not cover all of the features contained in the prior legislation. This bill has been termed as a "housekeeping" bill and is considered to be noncontroversial. The reports of the various departments have been studied and, with the exception of certain technical amendments, there is no objection to this legislation.

Hearings have not been held on this bill because of the extended consideration given to the subject matter in previous years. The bill makes numerous amendments to the Trademark Act, none of which is considered to be of a substantive nature. They are technical, and are set forth at the end of this report. Some of the amendments merely correct typographical errors which appeared in the original act; some involve matters of clarification of meaning, and some make desirable changes in details of procedure.

As to the suggestion contained in the report of the Federal Trade Commission, the following is stated:

While section 14, as it is proposed to be amended, would provide for cancellation by reason of use of a mark to misrepresent the source of goods or services, without the necessity of there having been an assignment of the mark, there is a possibility that the amended section would be construed to apply solely to a situation where a registrant has so used a mark, as distinguished from such use of a mark by an assignee.

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This construction may find support in (1) the proposed amendment of the comparable provision of section 33(b)(3) of the act, which deals with defenses to claims for incontestability of marks, whereby the acts not only of a registrant, but of a person in privity with the registrant would be covered (see S. 2428. p. 15. line 23 to p. 16, line 2), and (2) the proposed deletion from section 10 of the act, the section dealing with assignments, of the language providing for cancellation of an assigned registration when the assignee has used, or has allowed the use, of the mark so as to misrepresent the source of the pertinent goods or services. (See sec. 6 of S. 2429.)

To preclude the possibility of any such construction it is recommended that the broader language proposed for section 33(b)(3) of the act be utilized in the amendment of section 14, and that the specific language in section 10 covering misuse of a mark by, or with the consent of, an assignee not be deleted.

The committee has considered this matter and believes that the comments of the Federal Trade Commission are understandable and well taken, but it is not believed that any changes in the bill are needed in this respect. In section 45 of the existing law, the word "registrant" is defined as

embracing the "legal representatives, successors and assigns" of the registrant. Further, the bill in its proposed amendment of section 14 (p. 8, lines 5--7) authorizes cancellation--

if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods.

It is believed that these references adequately cover the points with respect to assignee and "privity." An analysis of the provisions of S. 2429 is as follows: Section 1 of the bill proposes to amend, in several respects, section 1(a)(1) of the act, which relates to the statements required of an applicant for registration of a trademark. The first amendment proposes to amend the phrase which now reads:

that no other person, * * * has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as might be calculated to deceive

by canceling the underscored words and substituting--

as to be likely, when applied to the goods of such other person, to cause confusion, or to cause mistake, or to deceive

The purpose of this amendment is to make the required allegation of the applicant more nearly complete and more accurate.

The second amendment is the cancelation of the words "or services", which appear in the proviso to section a(n)(1). This is for uniformity of drafting and does not affect the meaning.

Section 2 of the bill proposes to make a number of changes in section 2 of the act.

The first clause of section 2(d) of the act provides that a mark is to be refused registration if it so resembles a mark registered in the Patent Office or a mark previously used by another, as to be likely when applied to the goods of the applicant, "to cause confusion or

mistake or to deceive purchasers." The bill proposes to revise the quoted expression to read "to cause confusion, or to cause mistake, or to deceive." The purpose of the proposed change is to coordinate the language here with that used elsewhere and to omit the word "purchasers", since the provision actually relates to potential purchasers as well as to actual purchasers. The word "purchasers" is eliminated so as to avoid the possibility of misconstruction of the present language of the statute.

Section 2(d) of the act contains a long proviso relating to so--called concurrent registrations of trademarks. The bill proposes to rewrite this proviso, amending it in a number of respects. The principal amendment is to enlarge the limiting dates after which rights to concurrent registrations cannot accrue. The amendment will increase the possibility of a concurrent registration insofar as the dates involved are concerned.

The act now states that concurrent registrations are to be granted when confusion or mistake or deceit of purchasers is not likely to result from the continued use of the marks- under conditions and limitations as to the mode or place of use or the goods in connection with which such registrations may be granted.

There is considerable confusion in the interpretation of this language, which is far from clear. The bill proposes to amend the particular phrase to read:

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, * * *

This language is much clearer than the original language.

A few simplifications over the language of the present proviso additionally are made.

Section 3 of the bill proposes to rewrite section 6 of the act relating to disclaimers.

Section 4 of the bill would revise section 7(a) of the act relating to the formalities of issuing a registration. The proposed language is simpler than the present wording of the statute and would enable the Patent Office to effect economies in printing the registrations.
Section 4 of the bill would also rewrite section 7(d) of the act, effecting considerable clarification and at the same time making several changes. First, the requirement for a fee in connection with the voluntary surrender or cancellation of a registration by the registrant is removed. Such surrenders or voluntary cancellations are very rare and the fee may have deferred others which would have been made. Second, it is proposed to omit the words "in whole or" from the clause in the present section which now states that the Commissioner may "permit any registered mark to be disclaimed in whole or in part." The underlined words are not seen to be necessary.
Section 4 of the bill would further make certain language changes in section 7(e) of the act to provide consistency throughout the act and would desirably provide for any duly designated employee, rather than only a chief of a division, to certify copies of Patent Office records.

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Section 4 of the bill would eliminate the present requirements in section 7(f) of the act that the Commissioner sign all certificates of correction, and would make certain language changes to provide consistency throughout the act.
Section 5 of the bill proposes to amend section 9 of the act relating to the renewal of trademark registrations. The act now requires the registrant, prior to renewal, to file an affidavit stating that the mark is still in use in commerce. The proposed change permits the registrant to obtain the renewal of the registration even if the mark is not then being used, provided that the nonuse is due to special circumstances which excuse the nonuse and is not due to any intention to abandon the mark.
The affidavit now required by this section of the act must state that the mark is in use in commerce. but there is no requirement that the affidavit specify the goods on which the mark is used. Since the proposed amendment provides for an excuse for nonuse due to special circumstances, the amendment also provides that the affidavit (verified application) must set forth those goods recited in the registration on which said mark is still in use in commerce. This additional provision is particularly desirable. Renewals are extensions of the registrations for 20 years, and the Patent Office records should reflect the goods on which the marks are then being used.
Section 6 of the bill proposes to amend section 10 of the act by canceling the following proviso: Provided. That any assigned registration may be canceled at any time if the registered mark is being used by, or with the permission of, the assignee so as to misrepresent the source of the goods or services in connection with which the mark is used.
The purpose in canceling this proviso is to incorporate it in broader form, as a requirement applying to any registrant, in section 14, which is a more appropriate part of the act.
The bill would also revise the language of the sentence dealing with records of assignment, but there is no change in substance proposed.
Section 7 of the bill proposes to amend section 12(a) of the act by adding the following proviso: 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.

The purpose of this addition is to effect a minor simplification in the Patent Office procedure.
Section 7 of the bill would also revise and clarify the last sentence of subsection (c) of section 12.
Section 8 of the bill would add a sentence to section 13 of the act to permit an opposition to be amended, and it would strike the words "notice of", each occurrence, thereby making the section refer to "opposition" rather than "notice of opposition."

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Section 14(c) of the act provides, as one of the grounds for canceling a registration at any time--
if the registered mark becomes the common descriptive name of an article or substance on which the patent has expired--
the amendment in the bill cancels the words-- on which the patent has expired.
Section 14(c) of the act also provides as a ground for cancellation at any time--
if the registered mark has been assigned and is being used by, or with the permission of, the assignee so as to misrepresent the source of the goods or services in connection with which the mark is used.
This language is replaced by the following broader language of the bill:
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.
Section 10 of the bill would make a change in section 15 of the act required by the revision and relettering of paragraphs in section 14.
Section 10 of the bill also proposes to amend section 15 of the act by canceling from item 4 the underscored words in the following quotation: (4) no incontestable right shall be acquired in a mark or trade name which is the common descriptive name of any article or substance
The underlined words should be canceled since trade names, as such, are not registered.
Section 11 of the bill proposes a change in section 16 of the act corresponding to a change made in section 2(d).
Section 12 of the bill proposes to rewrite completely section 21 of the act dealing with appeals to the U.S. Court of Customs and Patent Appeals and other judicial review of Patent Office decision. The act now incorporates by reference the procedure of appeals to the Court of Customs and Patent Appeals and review by civil action in patent cases. The proposed amendment incorporates, with necessary changes in language, the various provisions of title 35 relating to such appeals and review.
Section 23 of the act requires that in order for a mark to be eligible for registration on the Supplemental Register it must have been in lawful use for the year preceding the filing of the application. However, this section further provides that where an applicant requires domestic registration as a basis for foreign protection of his mark, upon a proper showing that he has begun the lawful use of his mark in foreign commerce, the Commissioner may waive the requirement for a full year's use and may grant registration forthwith. Section 13 of the bill proposes to amend section 23 of the act to eliminate the requirement that the mark be in use in foreign commerce before the Commissioner can waive the requirement for a full year's use in order

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to be eligible for registration. This proposal does not eliminate the fundamental requirement that the mark actually be in use before it can be registered. The section as amended merely provides for waiving the length of time of use.
Section 14 of the bill proposes to amend section 24 of the act by adding the phrase:
upon payment of the prescribed fee and the filing of a verified petition stating the ground therefore.
in order to make the language correspond to that used in the amendment to section 14 of the act.
Section 15 of the bill would clarify section 29 of the act relating to marking requirements.
Section 16 of the bill would amend section 30 of the act by changing the mandatory requirement of establishing internal classification of goods to a discretionary provision; and it would clarify language dealing with multiple applications.
Section 17 of the bill proposes to rewrite section 32(1) of the act, making several changes and rearranging the language.
One change is the omission of the underlined words from the following quotation from clause (a):
on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services
This change is parallel to a similar change made in section 2(d) of the act.
Section 17 of the bill also proposes to amend section 32(2) of the act to correct a typographical error.
Section 18 of the bill would make amendments in subsections (a) and (b) of section 33 of the act.
The amendments to subsection (a) and the opening paragraph of subsection (b) are an improvement in accuracy.
The amendment to paragraph (a) of subsection (b) is parallel to amendments to sections 10 and 14.
The amendments to paragraphs (5) and (6) of subsection (b) change a limiting date.
Section 19 of the bill proposes to correct a typographical error in section 35 of the act.
Section 20 of the bill proposes to amend section 44(b) of the act by adding a reference to a country which extends reciprocal rights to nationals of the United States by law and by revising the language to a more understandable form. This amendment is considered desirable.
Section 20 of the bill also proposes to amend section 44(c) of the act and effects considerable improvement therein.
Section 21 of the bill proposes six amendments to section 45 of the act which contains definitions.
The first of these amendments, to the sixth paragraph of the section, amends the definition of "applicant" and "registrant" to include "predecessors."
The ninth paragraph is amended to correct a typographical error in the omission of a comma.
The 11th paragraph, the definition of service mark, is amended to permit titles of radio and television programs to be registered as service marks even though they advertise goods.

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The amendments to the 15th paragraph amplify the definition or use in commerce with respect to service marks. The definition of colorable imitation, in the 17th paragraph of the act, is amended to cancel the word "purchasers," in line with the amendment to section 2(d) of the act.
The last amendment corrects a typographical error in the final paragraph of section 45.

The committee, after a study of the foregoing, believes that S. 2429 is meritorious and, therefore, recommends that the legislation, as amended, by considered favorably.

DEPARTMENT OF JUSTICE

OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., October 15, 1959.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, D.C.

DEAR SENATOR: This is in response to your request for the views of the Department of Justice concerning the bill (S. 2429) to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes," approved July 15, 1946, as amended.
The bill would effect numerous changes in the Trademark Act of July 5, 1946, with respect to the details of registration, administrative and court procedure, internal organization of the Patent Office regarding trademark matters, and refinements in language.
The subject of this legislation is not a matter for which the Department of Justice has primary responsibility, and accordingly we make no recommendation as to the enactment of the bill.
The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely yours, LAWRENCE E. WALSH,
Deputy Attorney General.

DEPARTMENT OF STATE,
Washington, September 2, 1959.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary,
U.S. Senate.

DEAR SENATOR EASTLAND: I refer to your letter of July 30, 1959, with respect to S. 2429, a bill to amend the act, entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes," approved July 5, 1946, as amended, and to the Department's interim reply of August 3, 1959.
The Department perceives no objection to the enactment of this bill. Most of its provisions are of a technical nature and are not of direct interest from the foreign policy standpoint. The Department, however, wishes to express its support for section 20 of the bill which

would amend the provisions of section 44(b) concerning applicability of the act to nationals of foreign countries. This amendment will provide a clearer basis for the establishment of reciprocal

relations with other governments in the field of trademarks. This is, of course, desirable in securing for our own nationals the fullest possible protection abroad of their trademarks.
The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours, WILLIAM B. MACOMBER, JR.,
Assistant Secretary
(For the Acting Secretary of State).

THE GENERAL COUNSEL OF THE TREASURY,
Washington, August 14, 1959.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on S. 2429, to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes", approved July 5, 1946, as amended".
The proposed legislation would amend the so--called Trademark Act of 1946 to correct typographical errors, to clarify language, to make changes in procedure and to make some substantive changes in the law.
Since the proposed legislation relates to matters primarily within the jurisdiction of the Department of Commerce and would not affect any statute administered by the Treasury Department, the Department has no recommendations to make on the bill.

Very truly yours, NELSON P. ROSE, General Counsel.

FEDERAL TRADE COMMISSION,

OFFICE OF THE CHAIRMAN.
Washington, October 19, 1959.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, D.C.

DEAR Mr. CHAIRMAN: This is in response to your request of July 30, 1959, for comment upon S. 2429. 86th Congress, 1st session, a bill to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes", approved July 5, 1946, as amended.
Under section 14 of the Trademark Act of 1946, any person who believes he is or will be damaged by the registration of a mark may, upon grounds specified in that section, apply for cancellation. In

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addition, the Federal Trade Commission may apply for cancellation of a mark registered upon the principal register established by the 1946 act, upon certain of the grounds specified in section 14. Among the grounds upon which persons or the Federal Trade Commission may apply for cancellation are: (1) that a mark has become the common descriptive name of an article or substance "on which the patent has expired" and (2) that a mark which has been assigned is being used by, or with the permission of, the assignee so as to misrepresent the source of the goods or services in connection with which the mark is used.

S. 2429 would amend section 14 to delete the words "on which the patent has expired" from the first--stated ground for application for cancellation. In addition, the second--stated ground for application for cancellation would be broadened by removing the requirement that the mark shall have been assigned. Both of these changes are distinct improvements and would facilitate the cancellation of marks by eliminating two conditions required by the present statute which are not necessarily material to the grounds of cancellation.

While section 14, as it is proposed to be amended, would provide for cancellation by reason of use of a mark to misrepresent the source of goods or services, without the necessity of there having been an assignment of the mark, there is a possibility that the amended section would be construed to apply solely to a situation where a registrant has so used a mark, as distinguished from such use of a mark by an assignee. This construction may find support in (1) the proposed amendment of the comparable provisions of section 33(b)(3) of the act, which deals with defenses to claims for incontestability of marks, whereby the acts not only of a registrant, but of a person in privity with the registrant would be covered (see S. 2428, p. 15, line 23 to p. 16, line 2), and (2) the proposed deletion from section 10 of the act, the section dealing with assignments, of the language providing for cancellation of an assigned registration when the assignee has used, or has allowed the use, of the mark so as to misrepresent the source of the pertinent goods or services. (See sec. 6 of S. 2429.)

To preclude the possibility of any such construction it is recommended that the broader language proposed for section 33(b)(3) of the act be utilized in the amendment of section 14, and that the specific language in section 10 covering misuse of a mark by, or with the consent of, an assignee not be deleted.

The other provisions of S. 2429 deal primarily with matters of administration and procedure and would not directly affect the duties or functions of the Federal Trade Commission. The Commission, therefore, offers no further comment.

By direction of the Commission:

EARL W. KINTNER. Chairman.

N.B.----Pursuant to regulations, this report was submitted to the Bureau of the Budget on October 7. 1959, and on October 14, 1959, the Commission was advised that there would be no objection to the submission of the report to the committee.

ROBERT M. PARRISH, Secretary.

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THE SECRETARY OF COMMERCE
Washington, D.C. November 6, 1959.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in reply to your request dated July 30. 1959. for the views of the Department with respect to S. 2429, a bill to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of [certain] international conventions, and for other purposes", approved July 5, 1946, as amended.

The bill would make a number of miscellaneous, clarifying and correcting amendments in the identified act. This Department recommends enactment of the bill. Attached is a copy of a memorandum from the Commissioner of Patents in which he has made a section--by--section analysis of the bill and has suggested a few changes in and addition to the bill, with all of which the Department of Commerce is in accord.

The Department recommends enactment of S. 2429.

We have been advised by the Bureau of the Budget that it would interpose no objection to the submission of this report.

Sincerely yours, PHILIP A. RAY.
Under Secretary of Commerce.

[Changes in existing law section OMITTED]

87th Congress, 1st Session IN THE HOUSE OF REPRESENTATIVES FEBRUARY 15, 1961

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

A BILL
To amend the Act entitled "An Act to provide for the registration and protection trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes," approved July 5, 1946, as amended.