REPORT

[To accompany S. 1990]

The Committee on the Judiciary to which was referred the bill (S. 1990), with respect to the clarification and amendment of the Lanham Act, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill as amended do pass.

I. PURPOSE AND SUMMARY OF LEGISLATION

The purpose of S. 1990 is to amend and clarify certain provisions of the Lanham Act *(15 U.S.C. § 1064)* with respect to the function of a trademark or service mark and the circumstances under which a mark may be cancelled or held to be abandoned. Specifically, S. 1990 is intended to clarify the accepted test to be used in determining whether or not a mark has become the common descriptive name of an article or service.

S. 1990 clarifies the Lanham Act by reaffirming and stating with precision the basic principles of trademark law that have been enunciated for more than half a century. First, S. 1990 prohibits the use of the so--called "motivation test" to determine genericism. Second, it confirms that the established test for genericism is whether the primary significance of the mark to consumers of the product or service in question is to identify a product or service which emanates from a particular source, known or unknown, or whether the mark merely functions as a common descriptive name for the product or service irrespective of its source.

The Lanham Act was originally enacted to, among other things, eliminate "confusing and conflicting interpretations of [the] various [trademark] statutes by the courts." Report of the Senate Commit

[2]
tee on Patents, 1946 U.S. Code, Cong. Serv., p. 1274. The Trademark Clarification Act of 1984 is also designed to promote that original goal.

II. TRADEMARKS AND GENERICISM

A. TRADEMARKS

Trademarks serve many functions. As the Chairman of the United States Trademark Association's Federal Legislation Committee testified before the Subcommittee:

> Among other things, trademarks (a) foster competition by enabling particular business entities to identify their goods or services and to distinguish them from those sold by others; (b) facilitate distribution by indicating that particular products or services emanate from a reliable though often anonymous source; (c) aid consumers in the selection process by denoting a level of quality relating to particular goods or services; (d) symbolize the reputation and good will of the owner, thereby motivating consumers to purchase or avoid certain trademarked products or services; and (e) protect the public from confusion or deception by enabling purchasers to identify and obtain desired goods or services.

Hearings on S. 1990 before The Subcommittee on Patents, Copyrights and Trademarks of the Committee on The Judiciary, 98th Cong., 2nd Sess. (Feb. 1, 1984).

Because of their importance to our nation's commerce, trademarks long have been protected from appropriation and misuse by others, both to protect the consumer from deception and confusion and to insure that producers are rewarded for their investment in the manufacture and marketing of their product. This protection was traditionally recognized and provided by the common law, with the first user of a mark normally being entitled to exclusive use thereof. For over 100 years, common law rights in trademarks have been supplemented by legislation, the most recent being the Lanham Act. The Lanham Act provides statutory benefits for the voluntary registration of trademarks, including constructive notice to others of a claim to a proprietary right in the registered mark.

B. GENERICISM

The above description of the functions of a trademark underscores the central method by which trademarks work, namely the identification of particular products or services with a particular source, even if the actual source is unknown. Thus, to function as a trademark, a term must be identified in the mind of the consumer as an indicator of source, sponsorship, approval or affiliation. If a term does not perform one or more of these functions, but rather serves merely as the common descriptive name for the article in question, the term is generic----it does not serve the purpose of a trademark and therefore is not entitled to protection. Words such as "car" and "cola soft drink" are common descriptive names for article, and there is no association of the term with any par-

[3]
ticular source; no producer may usurp the terms for its exclusive use.

The classic test for whether a trademark has become generic was enunciated 60 years ago by Judge Learned Hand in
Bayer Co. v. United Drug Co., 272 F. 2d 505, 509 (S.D.N.Y. 1921):

> The single question, as I view it, in all these cases, is merely one of fact: What do the buyers understand by the word for whose use the parties are contending? * * * Here the question is whether the buyers merely understood the word "Aspirin" meant this kind of drug, or whether it meant that and more than that: i.e., that it came from the same single, though, if one please anonymous, source from which they had got it before.

This test involves an inquiry into what is the "primary significance" of the term in the minds of the relevant consumer and has generally been the controlling test used by the courts to determine genericism. See *Kellogg Co. v. National Biscuit Co., 205 U.S. 111 (1938): Vision Center v. Opticks, Inc., 596 F.2d 111 (5th CIR. 1979); King--Seeley Thermos Co. v. Aladdin Industries, Inc., 321 F. 2d 577 (2d Cir. 1963); DuPont Cellophane Co. v. Waxed Products Co., 85 Fed. 75 (2d Cir. 1936).*

Recently, however, an egregious deviation from and misapplication of this test has caused much confusion and concern.

III. NEED FOR LEGISLATION

A. THE ANTI--MONOPOLY CASE

On February 22, 1983, the Supreme Court let stand a decision of the Ninth Circuit Court of Appeals that held that the trademark registration of the term Monopoly for Parker Brothers' real

estate trading board game was no longer valid. The Ninth Circuit declared that Monopoly had become the "common descriptive name" for that type of board game and thus determined that Parker Brothers no longer had protectable trademark rights in the term. *Anti--Monopoly, Inc. v. General Mills Fun Group Inc., 684 F. 2d 1316 (9th Cir. 1982).*

The legal battle that culminated in the threat to the Monopoly trademark arose out of a dispute between Parker Brothers and Anti--Monopoly, Inc., the makers of "Anti--Monopoly: the 'Bust--the--Trust' Game." Parker Brothers claimed the use of the term "Anti--Monopoly" as the title of the game was an infringement of their registered trademark Monopoly. Anti--Monopoly, Inc. disputed this claim and argued, among other things, that Parker Brothers' mark had become a generic term and therefore was no longer capable of trademark protection.

The District Court found that while "monopoly" is a "common word in the economic sense, its application to a game constitutes an unfamiliar use" and therefore permits its registration as a trademark. *Anti--Monopoly, Inc. v. General Mills Fun Group, Inc., 195 U.S.P.Q. 634 (N.D. Cal. 1977).* The District Court went on to find:

[4]

Nor is the trademark Monopoly invalid because, although once validly registered, it has now become generic or the common descriptive name of the article. This assertion contemplates a finding that the term monopoly now refers to all real estate trading board games and not to an individual game emanating from a single source. This is not the case. Monopoly can be differentiated from cellophane, thermos and aspirin.

> *King--Seeley Thermos Co. v. Aladdin Industries, Inc., 321 F. 2d 577, 138 U.S.P.Q. 349 (2d Cir. 1963); DuPont Co., v. Waxed Products Co., 85 F. 2d 75, 30 U.S.P.Q. 332 (2d Cir. 1936); Bayer & Co. v. United Drug Co., 272 F. 2d 505 (2d Cir. 1921).* The primary significance of Monopoly in this context is not that it describes all board games involving real estate trading but rather that is the title of a particular and very popular board game produced by a single company. The public's understanding is that a particular game is called Monopoly and that game is produced by a single manufacturer. Therefore, Monopoly has not become "generic" or the common descriptive name of the article and the trademark remains valid [Footnote omitted.]

On the first of two appeals, the Ninth Circuit determined that the District Court had misapplied the genericness standard and remanded the case. The Ninth Circuit held that the Monopoly trade mark would be valid only if the primary significance of the term in the minds of the consuming public were not the product, but the producer of the game. *Anti--Monopoly, Inc. v. General Mills Fun Group, Inc., 611 F. 2d 296 (9th Cir. 1979).*

On remand, the District Court read the above test in conformity with traditional trademark law and determined that the mark Monopoly was perceived primarily by the public as signifying a product from a single source and was, therefore, not generic. *515 F. Supp. 448 (N.D. Cal. 1981).* After the District Court again upheld the Monopoly mark, the Ninth Circuit again overruled the lower court's factual findings and decreed that the mark had become generic. *684 F.2d 1316 (9th Cir. 1982).* The test formulated and applied by the Ninth Circuit represented a radical departure from the established trademark law. The Ninth Circuit ignored a brand name survey relied upon by the District Court that showed sixty--three percent of the public recognized Monopoly as a brand name signifying a single producer. The Ninth Circuit stated that because the Monopoly board game was a unique product, it was necessarily linked in the minds of the

public with its single producer, and thus the results of the brand name survey were deemed irrelevant. Instead, the Ninth Circuit relied on a "motivation survey" conducted by Anti--Monopoly, Inc. which asked consumers which of the following statements best expressed their meaning when they asked to purchase Monopoly in a store:

(A) "I would like a Parker Brothers' version of a real estate trading game because I like Parker Brothers' products," or
(B) "I want a Monopoly game primarily because I am interested in playing the game of Monopoly. I don't much care who makes it."

[5]

Thirty--two percent of those interviewed chose the first alternative; sixty--five percent chose the second.

The District Court had rejected the motivation survey because it was inherently biased toward a favorable outcome for Anti--Monopoly. Nonetheless, the Ninth Circuit disregarded evidence that most consumers recognize Monopoly as a brand name, and relied on the results of a "motivation survey" to support the conclusion that the primary significance of Monopoly was to identify the product rather than a product from a single source. For these reasons, the court found that Monopoly was generic and no longer a valid trademark.

The *Anti--Monopoly* decision was immediately greeted with public and scholarly criticism. When Parker Brothers appealed the decision to the Supreme Court, no fewer than five organizations sought to file amicus briefs in opposition to the *Anti--Monopoly* decision's reasoning. The Bar Association of the District of Columbia and the District of Columbia Bar stated that the Ninth Circuit decision "radically alters established trademark law in a manner having immediate adverse consequences on the public and on trademark owners." Amicus Curiae Brief, p. 3. The United States Trademark Association noted:

> [T]he significance of the case goes far beyond the issue of whether Monopoly is a trademark. USTA is convinced that the test applied by the Ninth Circuit was wrong and that the decision stands as a threat to the validity of many important and widely used trademarks. [Amicus Curiae Brief, p. 2.]

B. FALLACIES OF ANTI--MONOPOLY DECISION The basic fallacies of the *Anti--Monopoly* holding are several. First, the Ninth Circuit failed to recognize that a

trademark does not automatically become a generic designation simply because the product on which it is used is a unique product. It also ignored the accepted concept that a trademark can serve a dual function----that of identifying a product while at the same time indicating its source. Admittedly, if a product is unique, it is more likely that the trademark adopted and used to identify that product will be used as if it were the identifying name of that product. But this is not conclusive of whether the mark is generic. The salient question is the primary significance of the term to the consumer. If the term indicates a product of a single producer to the consumer, it is a valid trademark.

Furthermore, the Ninth Circuit failed to grasp that a term may function as an indicator of source (and therefore as a valid trademark), even though consumers may not know the name of

the manufacturer or producer of the product. The trademark serves to assure the consumer that the product is of uniform quality and performance and that it comes from a single source even if the identity of that source is not known.

Finally, the court's use of the so--called "motivation survey" or "motivation test" was unprecedented, irrelevant, and contrary to established law and principles for determining whether a valid trademark exists.

[6]

C. PROBLEMS WITH ANTI--MONOPOLY DECISION

The *Anti--Monopoly* decision has left the current status of the primary significance test unclear. While *Anti--Monopoly* was only one decision at the appellate level, it was rendered by an influential court in the largest federal circuit and has since been cited by courts in other circuits. See, e.g., *Eastern Air Lines, Inc. v. New York Airlines, Inc., 218 USPQ 71, 76 (S.D.N.Y. 1983): Nestle Company v. Chester's Market, Inc., 571 F. Supp. 763,* (D. Conn. 1983). It also continues to be relied upon by the Ninth Circuit. See *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc., 718 F. 2d 327, 330 (9th Cir. 1983); Prudential Ins. v. Gibraltar Financial Corp., 694 F. 2d 1150, 1156 (4th Cir. 1982).*

Currently, there is much disagreement over the status of the decision both within and without the Ninth Circuit, but it has been unanimously criticized by every commentator discussing it. See, e.g., Greenbaum, Ginsburg & Weinberg, "A Proposal for Evaluating Genericism After 'Anti--Monopoly,'" 73 Trademark Rept'r 101, 109 (1983) ("the Ninth Circuit opinions fester with erroneous analysis"); Hewitt & Krieger, "Anti--Monopoly----An Autopsy for Trademarks," 11 Am. Pat. L. Ass'n J. 151, 156 (1984) ("the Ninth Circuit made fundamental errors in its interpretation of trademark law and relevant evidence"); Note, "Genericide: Cancellation of a Registered Trademark," *51 Fordham L. Rev. 666, 671 (1983)* ("even the strongest trademarks are threatened by the purchaser motivation test").

One lower court that refused to follow the *Anti--Monopoly* decision noted the potential harm that might be caused were the Ninth Circuit's reasoning perpetuated:

> By my perception, this reasoning would invalidate many if not most of the major American Brands. Well--estab--lished trademarks that, like Monopoly, seem more likely to suggest the product than the producer would include Anacin, Bufferin, Tylenol, Excedrin, Ivory, Dove, Oxydol, Comet, Ajax, Woolite, Joy, Lysol, Raid, Q--Tips, Coppertone, Ban, Modess, Kotex, Playtex, Digel, Pepto--Bismol, Crest, Aim, Pepsodent, Polident, Lavoris, Scope, Dentyne, Sanka, Visine, Old Spice, Trojan, Chevrolet, Cadillac, Lincoln, Mercury, Plymouth, Lucky Strike, and Winston, to name only a few. If the Ninth Circuit's view correctly states the law, to say the very least a major segment of the American merchandising industry and its lawyers have been operating under a drastically mistaken understanding.

Osawa & Co. v. B&H Photo, 83 Civ. 6874 (PNL) (S.D.N.Y. May 24, 1984) at 40 n.*. However, since the United States Supreme Court declined to review the *Anti--Monopoly* case, the various lower courts have been left to decide on their own whether to embrace the influential yet erroneous decision.

IV. HISTORY OF LEGISLATION

On June 9, 1983, Senator Orrin G. Hatch (R--Utah) introduced S. 1440, to clarify the circumstances under which a trademark may be

[7]
cancelled. In introducing this legislation, Senator Hatch recognized the importance of timely action:

> I fear as do many others that without this amendment many more trademarks are on the brink of extinction. Must we wait until the numbers increase into billions of dollars worth of damages to respectable established manufacturers before we act or do we cure the problem now when it comes to our attention, when it has just begun to hurt our respected trademark owners. 129 Cong. Rec. S8136 (June 9, 1983, daily ed.).

Following widespread discussion of this legislation among the trademark bar and affected industries, Senator Hatch introduced a new version of his legislation on October 21, 1983. This bill, S. 1990, is cosponsored by Senator Patrick Leahy (D--Vt.), Senator Strom Thurmond (R--S.C.), Senator Paul Laxalt (R--Nev.), Senator Robert Dole (R--Kans.), Senator Alan Simpson (R--Wyo.), Senator Charles Grassley (R--Iowa), Senator Dennis DeConcini (D--Ariz.), Senator Max Baucus (D--Mont.), Senator Howell Heflin (D--Ala.), Senator James McClure (R--Idaho), Senator Jesse Helms (R--N.C.), Senator Edward Kennedy (D--Mass), Senator John East (R--N.C.), Senator Jeremiah Denton (R--Ala.), and Senator Pete Wilson (R--Calif.). In his introductory statement, Senator Hatch clearly stated the narrow and precise intention of this legislation:

The bill is not intended to effect important substantive changes in the mainstream of trademark law. Thus its purpose remains primarily that of clarifying and rendering more precise in the statute what the law is today and should be in the years to come, undisturbed and undiverted by the troubling and potentially dangerous elements of the Antimonopoly case.

129 Cong. Rec. S14378, S14380 (daily ed., Oct. 21, 1983). (Congressman Robert Kastenmeier (D--Wis.) introduced similar legislation, H.R. 4460, on November 17, 1983, and hearings were held on that bill in the House on June 28, 1984.)

Hearings were conducted on S. 1990 by the Subcommittee on Patents, Copyrights and Trademarks of the Committee on the Judiciary on February 1, 1984. The lead--off witness at the hearing was Assistant Secretary of Commerce and Commissioner of Patents and Trademarks Mossinghoff, who supported the legislation on behalf of the Administration. Supporting testimony was also presented by Michael Grow, Chairman of the Legislative Committee of the U.S. Trademark Association; Julius Lunsford, a private trademark attorney from Atlanta, Georgia; and Professor Kenneth Germain, who teaches Intellectual Property Law at the University of Kentucky. The witnesses unanimously favored congressional enactment of the subject legislation.

The Subcommittee on Patents, Copyrights and Trademarks met to consider S. 1990 on July 31, 1984, and unanimously ordered the bill favorably reported with an amendment in the nature

of a substitute offered by Senator Hatch.

[8]

The Senate Judiciary Committee, with a quorum present, approved S. 1990 with an amendment in the nature of a substitute by voice vote and without objection heard on August 2, 1984.

V. ANALYSIS OF S. 1990

S. 1990 rectifies the confusion generated by *Anti--Monopoly* by directly addressing the four major reasoning errors of that decision. The bill does so by amending section 14(c) and 45 of the Lanham Act *(15 U.S.C. §§ 1064*(c) and 1127) to

(a) Clarify that a mark may have a "dual purpose" of identifying goods and services and indicating the source of the goods and services;

(b) Clarify that a mark may serve to identify a unique product or service so long as the mark serves also to identify a single source of the product or service;

(c) Clarify that identification of a mark with a source does not require that the identify of a producer or producers be known by the consumer; and

(d) Prohibit the use of the "motivation test" in determining genericism, and reaffirm the use of the "primary significance" test.

S. 1990 does not overrule the *Anti--Monopoly* decision as to the parties in that case. The bill overturns the reasoning in that case, but it does not say whether or not Monopoly is a valid trademark.

Furthermore, this legislation is not intended to establish a new or different test for resolving what happens to a mark which is used to identify a patented product after the patent expires and other manufacturers are free to market an identical product.

In summary, S. 1990 does not create new law or establish new standards, but rather reaffirms and clarifies the established principles of trademark law existing before the *Anti--Monopoly* decision. Such clarification and reaffirmation would assure uniformity among the various circuits and would eliminate the confusion and uncertainty currently existing not only among jurists and legal scholars, but also among merchants who must change their marketing practices if the erroneous theory underlying the *Anti--Monopoly* decision is maintained.

A. DUAL PURPOSE AND UNIQUE PRODUCTS

While the court in *Anti--Monopoly* explicitly recognized the "dual function" of a trademark, it determined that the "uniqueness" of Parker Brothers' board game made the application of this tenet inappropriate. However, it is clear that whether a product is unique does not determine whether a term associated with the product functions as a trademark or as a generic designation. Most firms, in fact, attempt to market and promote their products as unique in some way. The important question is whether the primary significance of the term to the relevant consuming public is to identify a product which emanates from a single, albeit anonymous, source, or merely to identify the product itself. Of course, if the public primarily understands the term as identifying a product, rather than a product emanating from a particular, albeit anonymous, source,

[9]

the term is generic. See, e.g., *Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 118 (1938).*

S. 1990 specifies in several places that a mark is not invalid solely because the producer or the

public uses the mark as a name of a unique product or service. The bill also makes clear that an otherwise valid mark is not invalidated solely because the manufacturer or the public utilizes the mark in referring to a product of service. This is the widely accepted "dual function" analysis. These changes also correct the error of the Ninth Circuit in the *Anti--Monopoly* decision by not subjecting the product or service marketed under a registered mark to an analysis of whether it is unique, or as the Ninth Circuit decision stated, whether the article or product is its own genus or a member of a species. The factual analysis of whether a product is its own genus or a member of a species is highly confusing. Therefore, the proposed text clarifies the statute to make it clear that the test used by the Ninth Circuit should not be used in future trademark proceedings.

As originally introduced, S. 1990 would have provided that a registered mark is not to be deemed the common descriptive name of a product "merely" because the mark is used as a name of or to identify the product. The Committee substitute changed the work "merely" to "solely" to make clear that while use of a mark to identify a unique product is not determinative of the purchaser's perception of the mark, evidence that the mark is used and promoted as a common name may be probative on the issue of genericness. See, for example, *Bayer Co. v. United Drug Co., 272 Fed. 505 (S.D.N.Y. 1921).* The central inquiry remains, both before and after this legislation, whether the primary significance of the mark is to identify a product which comes from a single source----though the product be unique or the source anonymous----as opposed to identifying the product itself.

B. UNKNOWN PRODUCER

The bill clarifies the Lanham Act to recognize that the identity of a specific producer of a good or service is not required to be known by the consuming public for trademark protection to adhere. This is accomplished in Section 2 and 3 of the bill by amending the definitions of "trademark" and "service mark" in Section 45 of the Lanham Act to clarify that a mark need only "identify the source of the goods, even if that source is unknown."

C. PURCHASER MOTIVATION

As stated above, one of the major criticisms of the *Anti--Monopoly* decision is its use of the so--called "purchaser motivation" test. While the Ninth Circuit was clearly trying to develop an objective test to help it in making a factual determination of whether a mark was generic, the test it chose was misguided and irrelevant. While it may not ordinarily be the province of legislation to specify the methods by which a finder of fact makes its determinations, the use of the "purchaser motivation" test exceeds the bounds of merely an improper test; rather, it shows a disregard for the basic purposes of trademark protection. As such, the Committee concludes that it is necessary to clarify and reaffirm that the test for

genericism is whether the relevant consuming public perceives a mark as an indication of source.

S. 1990 amends Section 14(c) of the Lanham Act explicitly to prohibit a "purchaser motivation" test in determining genericism. In addition, the bill amends Section 45 of the Act by prohibiting a "purchaser motivation" test in the determination of whether a mark had been abandoned. The latter prohibition is necessary since one definition of abandonment includes the loss by a mark of its significance as an indication of origin. To the extent that this significance is the same concept as that used to determine genericism, the Committee believes it important to specify here as well as in Section 14(c) that a purchaser motivation test is inappropriate.

D. SINGLE SOURCE

References to the fact that trademarks serve to indicate a "single source" should not be construed as inconsistent with the established "related company" doctrine embodied in *15 U.S.C. § 1055.* This doctrine recognizes that where a mark is used by a licensee or related company of the trademark owner, and the owner exercises proper control over the nature and quality of services or products sold under the mark, all use by the licensee or related company inures to the benefit of the trademark owner. The mark still functions as an indicator that goods or services emanate from a single source, even though more than one person or company is involved in using the mark. Thus, this legislation would not impair the right of franchise organizations and other licensing organizations to continue using their marks in accordance with established law and practice.

E. PROSPECTIVE APPLICATION

The Committee has frequently expressed concern over legislation with potentially retroactive application. It is thus important to note that the *Anti--Monopoly* litigation has been concluded. This legislation is not intended to be retroactive in effect as to the parties to completed litigation. Since the bill is intended primarily to restate and clarify existing law already applicable to pending cases, the legislation will apply to cases where there has no final judgment. Such application is not a form of retroactivity.

VI. COST OF THE LEGISLATION

In accordance with paragraph 11(a), rule XXVI of the Standing Rules of the Senate, the Committee offers the following report of the Congressional Budget Office:

U.S. CONGRESS,

CONGRESSIONAL BUDGET OFFICE,

Washington, DC, September 19, 1984.

Hon. STROM THURMOND,

Chairman, Committee on the Judiciary,

Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 1990, the Trademark Clarification Act of 1983, as ordered

[11]
reported by the Senate Committee on the Judiciary, August 2, 1984.

S. 1990 would clarify the test used to determine whether or not a mark has become the descriptive name of an article or service. Based on information from the Patent and Trademark Office, we expect that enactment of S. 1990 would not result in any cost to the federal government, or to state and local governments.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

RUDOLPH G. PENNER.

VII. REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b), Rule XXVI of the Standing Rules of the Senate, the Committee has concluded that no significant additional regulatory impact would be incurred in carrying out the provisions of this legislation; there would not be additional impact on the personal privacy of companies or individuals; and there would be no additional paperwork impact.

VIII. CHANGES IN EXISTING LAW In compliance with paragraph 12, Rule XXVI of the

Standing Rules of the Senate, changes in existing law made by
S. 1990, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter printed in italic is [underlined], and existing law in which no change is proposed is shown in roman):

ACT OF JULY 5, 1946

SECTION 14

SEC. 14. A verified 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 chapter, or under the Act of March 3, 1881, or the Act of February 20, 1905--

(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 1054 of this title or of subsections (a), (b), or (c) of section 1052 of this title 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; or

*****

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.

SECTION 45

SEC. 45. In the construction of this chapter, unless the contrary is plainly apparent from the

context--

***** [The term "trade--mark" includes any word, name, symbol, or device or any

combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.]

The term "trade--mark" 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 "service mark" means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others.]

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.

*****

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 referred from circumstances. Nonuse 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.*

98th Congress, 1st Session

To clarify the circumstances under which a trademark may be canceled or considered abandoned.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 17, 1983

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