First Senate Debate on the Trademark Law Revision Act of 1988
(May 13, 1988)

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Mr. Byrd. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 1883.

The Presiding Officer. The clerk will report. The assistant legislative clerk read as follows:
A bill, S. 1883, 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."

The Presiding Officer. Is there objection to the present consideration of the bill?
There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary, with an amendment to strike all after the enacting clause and insert in lieu thereof, the following:

S. 1883

A BILL To amend the Act entitled "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"
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trademark Law Revision Act of 1988".

Sec. 2. For purposes of this Act, the Act entitled "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" shall be referred to as the "Trademark Act of 1946".

Sec. 3. Section 1 of the Trademark Act of 1946 (15 U.S.C. 1051) is amended by--
(1) inserting a section heading before section 1 to read as follows:
"REQUIREMENTS FOR APPLYING TO REGISTER TRADEMARKS ON THE PRINCIPAL REGISTER";
(2) striking out "may register his" in the matter before subsection (a) and inserting in lieu thereof "may apply to register his";
(3) redesignating paragraphs (1), (2), and (3) of subsection (a) as subparagraphs (A), (B), and (C), respectively;
(4) redesignating subsections (a), (b), and (c) as paragraphs (1), (2), and (3), respectively;
(5) inserting "(a)" after "Section1.";
(6) striking out "applied to" in subsection (a)(1)(A), as redesignated herein, and inserting in lieu thereof "used on or in connection with";
(7) striking out "actually" in subsection (a)(1)(C), as redesignated herein;

(8) striking out "filing" in subsection (a)(2), as redesignated herein, and inserting in lieu thereof "prescribed"; and
(9) adding at the end thereof the following:
"(b) A person who has a bona fide intention to use a trademark in commerce, such intention to reflect the good faith circumstances relating to the intended use, 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 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 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, is entitled to use the mark 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 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 of this Act, no mark shall be registered until the applicant has met the requirements of section 13(b)(2) hereof; 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 thereof for purposes of this Act, by amending his application to bring it into conformity with the requirements of subsection (a).".

Sec. 4. Section 2 of the Trademark Act of 1946 (15 U.S.C. 1052) is amended--
(1) by amending subsection (d) to read as follows:
"(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 (1) the earliest of the filing dates of the applications pending or of any registration issued under this Act; or (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;";
(2) in subsection (e) by striking out "applied to" each place it appears and inserting in lieu thereof "used on or in connection with"; and
(3) in subsection (f) by--
(A) striking out "applied to" and inserting in lieu thereof "used on or in connection with"; and
(B) striking out "five years" through the end of the subsection and inserting in lieu thereof "five years next preceding an offer of proof by the applicant.".

Sec. 5. Section 3 of the Trademark Act of 1946 (15 U.S.C. 1053) is amended by--
(1) striking out "used in commerce" in the first sentence;
(2) striking out ", except when" through "mark is used" in the first sentence; and
(3) striking out the second sentence.

Sec. 6. Section 4 of the Trademark Act of 1946 (15 U.S.C. 1054) is amended by--
(1) striking out "origin used in commerce," and inserting in lieu thereof "origin,";
(2) striking out "except when" in the first sentence and inserting in lieu thereof "except in the case of certification marks when"; and
(3) striking out the second sentence.

Sec. 7. Section 5 of the Trademark Act of 1946 (15 U.S.C. 1055) is amended by adding at the end thereof the following: "First use of a mark by a person, which use is controlled by the registrant or applicant for registration of the mark in respect to the nature and quality of the goods or services, shall inure to the benefit of the registrant or applicant.".

Sec. 8. Section 6(b) of the Trademark Act of 1946 (15 U.S.C. 1056(b)) is amended by striking out "(d)" and inserting in lieu thereof "(e)".

Sec. 9. Section 7 of the Trademark Act of 1946 (15 U.S.C. 1057) is amended by--
(1) amending subsection (b) to read as follows:
"(b) A certificate of registration of a mark upon the principal register provided by this Act shall be prima facie evidence of the validity of the registered mark and of the registration thereof, of the registrant's ownership of the mark, and of the reg--istrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate, subject to any conditions or limitations stated therein.";
(2) redesignating subsections (c), (d), (e), (f), and (g) as subsections (d), (e), (f), (g), and (h), respectively;

(3) inserting between subsection (b) and subsection (d), as redesignated herein, the following:
"(c) Contingent on the registration of a mark on the principal register established herein, 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 and that application 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 has acquired a right of priority by the timely filing under section 44(d) of an application to register the mark on the principal register and that application is pending or has resulted in registration of the mark on the principal register.";
(4) amending subsection (d), as redesignated herein, by striking out "fee herein provided" and inserting in lieu thereof "prescribed fee";
(5) amending subsection (f), as redesignated herein, by striking out "fee required by law" and inserting in lieu thereof "prescribed fee"; and
(6) amending subsection (h), as redesignated herein, by striking out "required fee" and inserting in lieu thereof "prescribed fee".

Sec. 10. Section 8(a) of the Trademark Act of 1946 (15 U.S.C. 1058a) is amended by--
(1) striking out "twenty" and inserting in lieu thereof "ten"; and
(2) striking out "showing that said mark is in use in commerce or showing that its" and inserting in lieu thereof "setting forth those goods or services recited in the registration on or in connection with which the mark is in use in commerce and having attached thereto a specimen or facsimile showing current use of the mark, or showing that any".

Sec. 11. Section 9(a) of the Trademark Act of 1946 (15 U.S.C. 1059(a)) is amended by striking out "twenty" and inserting in lieu thereof "ten".

Sec. 12. Section 10 of the Trademark Act of 1946 (15 U.S.C. 1060)is amended to read as follows:
"ASSIGNMENT AND GRANT OF SECURITY INTEREST
"Sec. 10. (a) 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. 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 13(b)(2), except to a successor to the business of the applicant, or portion thereof, to which the mark pertains.
"(b)(1) A security interest in a registered mark, or a mark for which an application for registration has been filed under section 1(b) or subsection (d) or (e) of section 44, may be obtained and will be superior to any interest subsequently granted to a third party, provided--
"(A) the party granted the security interest obtains a security interest in 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

"(B) notice of such interest is filed in the Patent and Trademark Office--
"(i) within ten days after the interest is granted if the interest pertains to a registered mark or if it pertains to a mark which is the subject of an application for registration under section 1(b) or subsection (d) or (e) of section 44, or
"(ii) within four months after the mark is registered if the interest pertains to a mark which is the subject of an application under section 1(a) or 23 and the person holding the interest has a valid, perfected interest pursuant to State law at the time the mark is registered.
"(2) A party granted a security interest in a registered mark, or a mark for which an application for registration has been filed under section 1(b) or subsection (d) or (e) of section 44, may, after default by the party granting the security interest, require the debtor to assign the mark to--
"(A) a transferee who is also being assigned that part of the goodwill of the business connected with the use of and symbolized by the mark; or
"(B) the party holding the security interest, even though such party does not presently engage in the business to which the mark relates, provided that the secured party either subsequently engages in the business to which the mark relates or holds the mark only for the purpose of subsequently transferring the mark along with the goodwill associated with the mark and that such subsequent transfer occurs prior to dissipation of the goodwill.
"(3) A security interest in a mark obtained pursuant to this section will extend to the consideration received upon the sale, exchange, collection or other disposition of the mark for ten days after receipt of the consideration by the transferor and will then lapse unless a financing statement or other document is filed as required by appropriate State law.
"(c) In any assignment of or grant of a security interest in a mark 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.
"(d) Assignments and grants of security interest shall be by instruments in writing duly executed. Acknowledgment shall be prima facie evidence of the execution of an assignment or a grant of a security interest and when recorded in the Patent and Trademark Office the record shall be prima facie evidence of execution. An assignment of or grant of a security interest in a mark shall be void as against any subsequent purchaser or other entity being granted an interest for a valuable consideration without notice, unless recorded in the Patent and Trademark Office--
"(1) within three months after the date thereof or prior to such subsequent purchase in the case of an assignment; or
"(2) pursuant to the provisions of subsection (b)(1)(B) or prior to the subsequent filing of a conflicting interest, whichever is later, in the case of the grant of any security interest.
"(e) A separate record of documents submitted for recording under this section shall be maintained in the Patent and Trademark Office. Such record shall include any release, cancellation, discharge, or satisfaction relating to any conveyance or other instrument affecting title to or any interest in a registered mark or a mark for which application to register has been filed.

"(f) An assignee or holder of a security interest not domiciled in the United States shall be subject to and comply with the provisions of section 1(d) of this Act.".

Sec. 13. Section 12(a) of the Trademark Act of 1946 (15 U.S.C. 1062a) is amended by--
(1) striking out "fee herein provided" and inserting in lieu thereof "prescribed fee"; and
(2) striking out "to registration, the" and inserting in lieu thereof "to registration, or would be entitled to registration upon the acceptance of the statement of use prescribed in section 13(b)(2) of this Act, the".

Sec. 14. Section 13 of the Trademark Act of 1946 (15 U.S.C. 1063) is amended by--
(1) inserting "(a)" before "Any person";
(2) striking out "required fee" and inserting in lieu thereof "prescribed fee"; and
(3) adding at the end thereof the following:"(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 he applied for registration under section 1(b). Within six months following the date of the notice of allowance, 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 and 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 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 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. The notice shall specify the goods or services for which the mark is registered.
"(A) The time for filing the statement of use shall be extended for an additional six--month period upon written request of the applicant prior to expiration of the six--month period. 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. Up to six further extensions of six months each shall be obtained when requested prior to the expiration of the extended period and 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 most recent extension for which the applicant has a continued bona fide intention to use the mark in commerce. Each request for an extension shall be accompanied by payment o f the prescribed fee.

"(B) The Commissioner shall notify any applicant who files a statement of use of the acceptance or refusal thereof and, if a refusal, the reasons therefor. An applicant may amend his statement of use.
"(C) The failure to timely file a verified statement of use shall result in abandonment of the application.".

Sec. 15. Section 14(c) of the Trademark Act of 1946 (15 U.S.C. 1064(c)) is amended to read as follows: to read as follows:
"(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 registered mark has become the generic name of goods or services on or in connection with which it has been used; or".

Sec. 16. Section 15(4) of the Trademark Act of 1946 (15 U.S.C. 1065(4)) is amended by striking out "the common descriptive name of any article or substance, patented or otherwise" and inserting in lieu thereof "the generic name for the goods or services or a portion thereof, for which it is registered".

Sec. 17. Section 16 of the Trademark Act of 1946 (15 U.S.C. 1066) is amended by striking out "applied to the goods or when used in connection with the services" and inserting in lieu thereof "used on or in connection with the goods or services".

Sec. 18. Section 18 of the Trademark Act of 1946 (15 U.S.C. 1068) is amended by--
(1) striking out "or restrict" and inserting in lieu thereof "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";
(2) striking out "or" before "may refuse"; and
(3) adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) prior to the mark being registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).".

Sec. 19. Section 19 of the Trademark Act of 1946 (15 U.S.C. 1069) is amended by striking out the second sentence.

Sec. 20. Section 21 of the Trademark Act of 1946 (15 U.S.C. 1071) is amended--
(1) in subsection (a), by striking out "section 21(b)" each place it appears and inserting in lieu thereof "subsection (b)";
(2) in subsection (a), by striking out "section 21(a) (2) hereof" and inserting in lieu thereof "paragraph (2) of this subsection";
(3) in subsection (a)(4), by adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) prior to the mark being registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).".
(4) in subsection (b), by striking out "section 21(a)" each place it appears and inserting in lieu thereof "subsection (a)";
(5) in subsection (b)(1), by adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) prior to the mark being registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).".
(6) in subsection (b)(3), by amending the first sentence of such paragraph to read as follows:
"(3) In any case where there is no adverse party, a copy of the complaint shall be served on the Commissioner, and, unless the court finds the expenses to be unreasonable, all the expenses of the proceeding shall be paid by the party bringing the case, whether the final decision is in favor of such party or not.".

Sec. 21. Section 23 of the Trademark Act of 1946 (15 U.S.C. 1091) is amended by--
(1) inserting "(a)" before "In addition" in the first paragraph;
(2) inserting "(b)" before "Upon the" in the second paragraph;
(3) inserting "(c)" before "For the purposes" in the third paragraph;
(4) striking out "paragraphs (a)," in subsection (a), as designated herein, and inserting in lieu thereof "subsections (a),";
(5) striking out "have been in lawful use in commerce by the proprietor thereof, upon" in subsection (a), as designated herein, and inserting in lieu thereof "are in use in commerce by the owner thereof, on";
(6) striking out "for the year preceding the filing of the application" in subsection (a), as designated herein;
(7) inserting before "section 1" in subsection (a), as designated herein, the following: "subsections (a) and
(d) of";
(8) striking out "fee herein provided" in subsection (b), as designated herein, and inserting in lieu thereof "prescribed fee"; and
(9) striking out the last paragraph.

Sec. 22. Section 24 of the Trademark Act of 1946 (15 U.S.C. 1092) is amended by--
(1) striking out "verified" in the second sentence;
(2) striking out "was not entitled to register the mark at the time of his application for registration thereof," and inserting in lieu thereof "is not entitled to registration,";
(3) striking out "is not used by the registrant or"; and

(4) adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) prior to the mark being registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).".

Sec. 23. Section 26 of the Trademark Act of 1946 (15 U.S.C. 1094) is amended by--
(1) inserting "1(b)," after "sections"; and
(2) inserting "7(c)," after "7(b)".

Sec. 24. Section 27 of the Trademark Act of 1946 (15 U.S.C. 1095) is amended by adding at the end thereof the following: "The filing of an application to register a mark on the supplemental register, or registration of a mark thereon, shall not constitute an admission that the mark is not eligible for registration on the principal register established herein.".

Sec. 25. Section 29 of the Trademark Act of 1946 (15 U.S.C. 1111) is amended by striking out "as used".

Sec. 26. Section 30 of the Trademark Act of 1946 (15 U.S.C. 1112) is amended by--
(1) inserting "or registrant's" after "applicant's";
(2) striking out "may file an application" and inserting in lieu thereof "may apply";
(3) striking out "goods and services upon or in connection with which he is actually using the mark:" and inserting in lieu thereof "goods or services on or in connection with which he is using or he has a bona fide intention to use the mark in commerce:"; and
(4) by amending the proviso to read: "Provided, That when 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.".

Sec. 27. Section 31 of the Trademark Act of 1946 (15 U.S.C. 1113) is amended by--
(1) striking out "Section31. Fees"; and
(2) inserting "Sec. 31." before "(a)".

Sec. 28. Section 32(2) of the Trademark Act of 1946 (15 U.S.C. 1114(2)) is amended by striking out "injunction" and inserting in lieu thereof "injunctive".

Sec. 29. Section 33(a) of the Trademark Act of 1946 (15 U.S.C. 1115(a)) is amended by--
(1) inserting "the validity of the registered mark and of the registration thereof, of the registrant's ownership of the mark, and of the" after "prima facie evidence of";
(2) inserting "or in connection with" after "in commerce on";
(3) striking out "an opposing party" and inserting in lieu thereof "another person"; and
(4) inserting ", including those set forth in subsection (b)," after "or defect".

Sec. 30. Section 33(b) of the Trademark Act of 1946 (15 U.S.C. 1115(b)) is amended by-
(1) amending the matter in subsection (b) before paragraph (1) to read as follows:

"(b) To the extent that the right to use the registered mark has become incontestable under section 15, the registration shall be conclusive evidence of the validity of the registered mark and of the registration thereof, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce. Such conclusive evidence shall relate to the exclusive right to use the mark on or in connection with the goods or services specified in the affidavit filed under the provisions of section 15 or, if fewer in number, the renewal application filed under the provisions of section 9 hereof, subject to any conditions or limitations in the registration or in such affidavit or renewal application. Such conclusive evidence of the right to use the registered mark shall be subject to proof of infringement as defined in section 32, and shall be subject to the following defenses or defects:";
(2) striking out "services in" in paragraph (3) and inserting in lieu thereof "services on or in";
(3) striking out "trade or service" in paragraph (4);
(4) striking out "to users" in paragraph (4);
(5) striking out "registration of the mark under this Act or" in paragraph (5) and inserting in lieu thereof "(A) the date of constructive use of the mark established pursuant to section 7(c), or (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)"; and
(6) adding at the end of the subsection, the following:
"In addition, equitable principles, including laches, estoppel, and acquiescence, where applicable, may be considered and applied.".

Sec. 31. Section 34 of the Trademark Act of 1946 (15 U.S.C. 1116) is amended--
(1) in subsection (a) by--
(A) striking out "of the registrant of a mark registered in the Patent and Trademark Office" and inserting in lieu thereof "protected under this Act"; and
(B) adding at the end thereof the following:
"However, no final judgment shall be entered in favor of an applicant under section 1(b) prior to the mark being registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).";
and
(2) in subsection (c) by--
(A) striking out "proceeding arising" and inserting in lieu thereof "proceeding involving a mark registered"; and
(B) striking out "decision is rendered, appeal taken or a decree issued" and inserting in lieu thereof "judgment is entered or an appeal is taken".

Sec. 32. Section 35(a) of the Trademark Act of 1946 (15 U.S.C. 1117(a)) is amended by striking out "of the registrant of a mark registered in the Patent and Trademark Office" and inserting in lieu thereof "protected under this Act".

Sec. 33. Section 36 of the Trademark Act of 1946 (15 U.S.C. 1118) is amended by--
(1) striking out "of the registrant of a mark registered in the Patent and Trademark Office" and inserting in lieu thereof "protected under this Act"; and
(2) striking out "registered mark" and inserting in lieu thereof "mark".

Sec. 34. (a) Section 39 of the Trademark Act of 1946 (15 U.S.C. 1121) is redesignated as subsection (a) of section 39 by inserting "(a)" after "Sec. 39.".
(b) Section 39a of the Trademark Act of 1946 (15 U.S.C. 1121a) is redesignated as subsection (b) of section 39 by striking out "Sec. 39a." and inserting in lieu thereof "(b)".
(c) Subsection (b) of section 39, as redesignated herein, is amended by striking out "servicemarks" each place it appears and inserting in lieu thereof "service marks".

Sec. 35. Section 43(a) of the Trademark Act of 1946 (15 U.S.C. 1125(a)) is amended to read as follows:
"(a)(1) Any person who uses in commerce on or in connection with any goods or services, or any container for goods, any word, term, name, symbol, or device or any combination thereof, or who shall engage in any act, trade practice, or course of conduct in commerce, which--
"(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another, or to the origin, sponsorship, or approval of his goods, services, or commercial activities by another; or
"(B) by use of a false designation of origin or of a false or misleading description or representation, misrepresents the nature, characteristics, or qualities of his or another person's goods, services, commercial activities or their geographic origin;
shall be liable in a civil action by any person who believes that he is or is likely to be damaged by such action.
"(2) The relief provided in this subsection shall be in addition to and shall not affect those remedies otherwise available under this Act, under common law, or pursuant to any statute of the United States: Provided, That nothing in this subsection shall be construed so as to preempt the jurisdiction of any State to grant relief in cases of unfair competition.".

Sec. 36. Section 43 of the Trademark Act of 1946 (15 U.S.C. 1125) is amended by adding at the end thereof the following new subsection:
"(c)(1) The owner of a famous mark registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register established herein shall be entitled, subject to the principles of equity, taking into account, among other things, the good faith use of an individual's name or an indication of geographic origin, to an injunction against another person's use in commerce of a mark, commencing after the registrant's mark becomes famous, which causes dilution of the distinctive quality of the registrant's mark, and to obtain such other relief as is provided in this subsection. In determining whether a mark is famous and has distinctive quality, a court shall weigh the following and other relevant factors:
"(A) whether the mark is inherently distinctive or has become distinctive through substantially exclusive and continuous use;
"(B) whether the duration and extent of use of the mark are substantial;
"(C) whether the duration and extent of advertising and publicity of the mark are substantial;
"(D) whether the geographical extent of the trading area in which the mark is used is substantial;

"(E) whether the mark has substantial renown in its and the other person's trading area and channels of trade; and
"(F) whether the same or similar marks are being used substantially by third parties.
"(2) The registrant shall be entitled only to injunctive relief in an action brought under this subsection, unless the subsequent user willfully intended to trade on the registrant's reputation or to cause dilution of the registrant's mark. If such willful intent is proven, the registrant shall also be entitled to the remedies set forth in sections 35(a) and 36 hereof, subject to the discretion of the court and the principles of equity.
"(3) Ownership of a valid registration under the Act of 1881 or the Act of 1905 or on the principal register established herein shall be a complete bar to an action brought by another person, under the common law or statute of a State, seeking to prevent dilution of the distinctiveness of a mark, label, or form of advertisement.".

Sec. 37. Section 44 of the Trademark Act of 1946 (15 U.S.C. 1126) is amended--
(1) by striking out "fees herein prescribed" in subsection (a) and inserting in lieu thereof "fees required herein";
(2) by striking out "paragraph (b)" each place it appears and inserting in lieu thereof "subsection (b)";
(3) in subsection (d) by striking out "sections 1, 2, 3, 4, or 23" and inserting in lieu thereof "section 1, 3, 4, 23, or 44(e)";
(4) in subsection (d)(2) by striking out "but use in commerce need not be alleged" and inserting in lieu thereof "including a statement that the applicant has a bona fide intention to use the mark in commerce";
(5) in subsection (d)(3), by striking out "foreing" and inserting in lieu thereof "foreign";
(6) in subsection (e) by adding at the end thereof the following: "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."; and
(7) in subsection (f), by striking out "paragraphs (c), (d)," and inserting in lieu thereof "subsections (c), (d),".

Sec. 38. Section 45 of the Trademark Act of 1946 (15 U.S.C. 1127) is amended by--
(1) amending the paragraph defining "related company" to read as follows:
"The term 'related company' means any person whose use of a mark is controlled by the owner of the mark in respect to the nature and quality of the goods or services on or in connection with which the mark is used.";
(2) amending the paragraph defining "trade name" and "commercial name" to read as follows:
"The terms 'trade name' and 'commercial name' mean any name used by a person to identify his business or vocation.";
(3) amending the paragraph defining "trademark" to read as follows:
"The term 'trademark' 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 he applies for registration on the principal register established by this Act, to identify and distinguish his goods, including a unique product, from those of others and to indicate the source of the goods, even if that source is unknown.";
(4) amending the paragraph defining "service mark" to read as follows:

"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 he 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 those 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 adverise the goods of the sponsor.";
(5) amending the paragraph defining "certification mark" to read as follows:
"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.";
(6) amending the paragraph defining "collective mark" to read as follows:
"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.";
(7) amending the paragraph defining "mark" to read as follows: "The term 'mark' includes any trademark, service mark, collective mark, or certification mark.";
(8) amending the matter which appears between the paragraph defining "mark", and the paragraph defining "colorable imitation" to read as follows:
"The term 'use in commerce' means use of a mark in the ordinary course of trade, commensurate with the circumstances, 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 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, or if the nature of the goods makes such placement impracticable then on documents associated with the goods or their sale, and 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 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'
"(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, commensurate with the circumstances, 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 subparagraph.
"The term 'dilution' means the material reduction of the distinctive quality of a famous mark through use of the mark by another person, regardless of the presence or absence of (1) competition between the users of the mark, or (2) likelihood of confusion, mistake, or deception arising from that use.".

Sec. 39. The Trademark Act of 1946 is amended by adding at the end thereof the following:
"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.".

Sec. 40. This Act and the amendments made by this Act shall become effective on the date one year after the date of enactment of this Act.

[5868]
The Presiding Officer. The question is on agreeing to the amendment.
The amendment (No. 2078) was agreed to.

Mr. DeConcini. Mr. President, I am pleased that the Senate has waived the 2--day rule in order to expeditiously consider this important bipartisan bill S. 1883, the Trademark Law Revision Act of 1988. I ask unanimous consent that the Senate adopt S. 1883 as reported by the Senate Judiciary Committee.

The purpose of S. 1883, Trademark Law Revision Act of 1988, is to amend the Trademark Act of 1946 to bring it up to date with present day business practices and realities. The legislation improves the act's protection of the public from counterfeit, confusion and deception, increases the value of the Federal trademark registration system for U.S. companies, and removes the current preference for foreign companies applying to register.

Mr. President, S. 1883 represents the first overall revision of the Federal trademark statute, the Lanham Act, since the act was adopted in 1946. Many of the revisions are substantive and will have a significant impact on U.S. trademark law. Others are of a technical nature, serving only to correct deficiencies and inconsistencies in the Lanham Act's language. Importantly, none of the amendments contained in S. 1883 alter the stated purposes of the Lanham Act or conflict with Congress' intent when it passed the act more than 40 years ago. In sum, S. 1883 modernizes the Federal trademark statute while preserving its balanced protection of business [trademark owners]and the public [consumers].

Mr. President, S. 1883, the Trademark Law Revision Act of 1988, represents the culmination of thousands of hours of work over the past 2 1/2 years. The bill is based on the results of a study conducted by the U.S. Trademark Association's Review Commission. The Commission's comprehensive review of the policies and components

of the trademark system included an exhaustive questionnaire to the trademark community, extensive study of specific topics by committees, and open debate at annual meetings. Hundreds of trademark owners and practitioners, more than 50 organizations, government officials in the United States and abroad, and eminent scholars in the fields of constitutional, commercial, trademark, and unfair competition law contributed their views. When the study was completed the Commission produced a lengthy report of its findings and recommended legislative changes in the trademark system.

S. 1883, as I introduced it on November 19, 1987, encompassed those recommendations. The Subcommittee on Patents, Copyrights, and Trademarks held a hearing on the bill on March 15, 1988, and heard testimony from trademark associations, individual trademark experts, and trademark owners such as Mrs. Fields Inc. and Frito--Lay, Inc. Following the hearing several improvements were made to the bill. My colleagues, particularly my good friend from Utah, Senator Hatch, worked closely with me in an effort to perfect the bill. I commend my colleagues, particularly the cosponsors Senators Grassley, Heflin and Hatch for recognizing the importance of this legislation and working with me to move it in an expeditious manner. A substitute amendment was unanimously approved by the subcommittee on April 13, 1988 and by the full Judiciary Committee on May 12, 1988. The following outlines in more detail some of the specific provisions of S. 1883:

A. Applications Based on Intent--to--Use

S. 1883 creates a system whereby companies and individuals may apply to register marks in the U.S. Patent and Trademark Office on the basis of a bona fide intent--to--use the mark in commerce. Presently, an American company may apply to register a mark only after it has actually used the mark in commerce. Converse--ly, a foreign applicant is not required to use a mark before applying for a U.S. registration if it files based on a foreign registration or application.

U.S. adoption of an intent--to--use application system has several advantages. First, it eliminates the extreme uncertainty American companies face as they invest in introducing new products and services. Second, it reduces the advantage that foreign trademark owners now enjoy. Third, it makes unnecessary the contrived practice of "token use" as a means of meeting pre--application use requirements. Last, it brings United States law into greater conformity with worldwide practice.

The proposed intent--to--use application system will supplement the present use based system; applicant will be able to choose between filing on the basis of intent--to--use or on the basis of actual use. While the existing use--based system would not change procedurally, all applicants who allege use of a mark in commerce will be subject to a more stringent definition of use. This definition, which will eliminate the commercially--transparent practice of token use as a means of creating trademark rights, will also help to reduce the amount of "deadwood" on the register.

The intent--to--use system provided for by S. 1883 includes several safeguards against abuse. Among them:

All business must state their bona fide intent--to--use a mark in commerce on or in

connection with all of the goods or services stated in an application for registration.

With the exception of marks for which application for registration is filed on the basis of a foreign registration or foreign priority date, no mark will be registered until it is used in commerce on a commercial scale and then it will be registered only for those goods or services for which evidence of this use is submitted.
After a mark is approved for registration, it will have to be used within six months or the application will be abandoned. This six--month period may be extended in six--month increments up to a maximum of four years. To obtain each extension, the applicant must file a statement of its continued bona fide intention to use the mark and pay a fee.
To reduce substantially the risks of introducing a new product and the potential for conflict between trademark users, the date an application to register is filed (whether it is filed on the basis of use or intent--to--use) will constitute nationwide "constructive use" of the mark. This will give the applicant priority rights over later users or applicants. This right of priority can not be enforced, however, until the applicant makes use of its mark and obtains a registration.

B. Accuracy of the Federal Register
The goal of the federal trademark registration system is the creation of a record which accurately reflects all marks that are actually being used in the U.S. marketplace. S. 1883 includes several provisions devoted to this objective.

"Deadwood". As a means of eliminating from the register those marks which are no longer in use and thereby do not qualify for registration (i.e., "deadwood"), the bill first reduces the term of a trademark registration from twenty to ten years (a commensurate decrease in the renewal fee would accompany this change).
Second, it imposes stricter requirements for maintaining a registration. During the sixth year of the term of a registration, the owner of a trademark registration will have to file an affidavit with the Patent and Trademark Office stating that the mark is in use on or in connection with all the goods or services recited in the registration and will have to provide specimens or facsimiles evidencing that use. (These new "section 8" requirements parallel those that are now required at the time a mark is renewed.) These changes, along with the new definition of use for which S. 1883 provides, will enlarge the pool of available marks for business to adopt, use and register.

C. Protection of Famous Marks from Dilution
S. 1883 creates a federal cause of action permitting the owner of a registered mark, which is truly famous and has distinctive quality, to protect the mark from use by others which unfairly capitalizes on the exceptional recognition and renown of the mark or which reduces or destroys the distinctive quality of the mark even if likelihood of confusion in the marketplace, the standard test of trademark infringement, cannot be proved. This new cause of action is highly selective; it protects only those federally registered marks that are most likely to be diluted through non--competing use. It will augment, not preempt, the twenty--three state dilution laws.

D. Unregistered Marks
S. 1883 amends the language of section 43(a) of the Lanham Act to conform it to the expanded scope of protection it has been given by the courts. In addition, the revised

section makes misrepresentations (e.g., false advertising claims) about another's products or services actionable (under present law, actions are limited to misrepresentations about one's own products or services), and estends the remedies available in cases involving registered marks to cases brought under the section where no registration is involved.
Mr. Metzenbaum. Mr. President, when the subcommittee considered S. 1883 an amendment was adopted to delete from section 35(a)(1)(B) the phrase "or by omission of material information". What was the subcommittee's intent in making that deletion?
Mr. DeConcini. Mr. President, this deletion was made to respond to concerns that it could be misread to require that all facts material to a consumer's decision to purchase a product or service be contained in each advertisement. Currently the question of when section 43(a) reaches failure to disclose information material to a consumer's purchasing decision is an open question in the courts. Recent court decisions and commentators have suggested that omissions may give rise to a cause of action regardless of whether any affirmative misrepresentations have been made. The committee does not condone deceptive advertising whether by affirmative misrepresentation on material omission, and leaves to the courts the task of further developing and applying this principle under section 43(a).

Mr. Rudman. Mr. President, I would like to take this opportunity to engage my colleague from Arizona, Mr. DeConcini, the distinguished chairman of the Judiciary Subcommittee on Patents, Copyrights and Trademarks, in a brief discussion of the bill currently being considered by the Senate, S. 1883. It is my understanding that this bill does nothing to change current law or practice regarding parallel imports, sometimes known as gray market goods.

Mr. DeConcini. That is correct. This bill, which revises trademark law, is not intended to address the issue of gray market goods or parallel importation.

Mr. Rudman. One section of the bill adds a Federal dilution section to current law. This provision provides protection for famous registered trademarks from unauthorized uses which materially reduce the distinctiveness of the mark. The Senator's introductory floor statement cites the example of a situation where a mark such as Kodak is used for pianos, or Buick is used for aspirin. I presume that this is still the type of situation intended to be covered in this bill, that is, dilution through the noncompeting use of a trademark.

Mr. DeConcini. That is correct. This provision is specifically intended to address a narrow category of famous registered trademarks where the unauthorized use by others, on dissimilar products for which the trademark is not registered, dilutes the distinctiveness of the famous work.

Mr. Rudman. I think the Senator for clarifying this matter.

Mr. Grassley. Mr. President, I am pleased to speak on behalf of the Trademark Reform Act, S. 1883. This important piece of legislation will amend the Lanham Act, the law that has governed the trademark area for more than 40 years.

The bill improves, in a number of ways, trademark law for large and small businesses, as well as consumers. First, it will make a major change in the way we establish trademark use. Under current law, someone who wants to use a particular trademark must put the mark "in commerce" so as to demonstrate the mark is truly in use. This is an outdated method, for our economy, which is in such an advanced technological state. Instead, this bill would allow registration of a trademark based upon a bona fide intent to use. Thus, a company or an individual can reserve a trademark before the final product is ready to go to market. It will allow more certainty in this field.
Second, the bill creates a Federal remedy to protect famous trademarks against dilution of the mark. At the present time, such claims are resolved under 23 different State laws and the decisions of the State courts. Instead of being subject to inconsistent decisions, truly famous marks will be entitled to national protection.
And third, section 43 of the Lanham Act, which is essentially used to protect against unfair competition, will be modified. The changes, however, will only codify the law laid down by our Federal courts. The modified section 43 will entitle a suit to be brought for "use of a false designation of origin or of a false or misleading description or representation, misrepresents the nature, characteristics, or qualities of his or another person's goods, services, commercial activities or their geographic origin." Under this language, the public will be protected against false advertising and unfair competition.
This bill is a good example of how Congress can, in fact, improve a statute. Senator DeConcini, chairman of the Subcommittee on Patents, Copyrights and Trademarks of the Judiciary Committee, is to be commended for his hard work and thorough analysis of the trademark law and modification. The bill was introduced last fall, hearings were held this Spring, and a consensus, including industry groups and the U.S. Patent and Trademark Office, developed around the importance of passing this bill. I thank Senator DeConcini for the opportunity to have a part in the passage of this important legislation. I urge my colleagues to approve it speedily.

The Presiding officer. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing

[5870]
to the committee amendment in the nature of a substitute, as amended.
The committee amendment was agreed to.
The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

So the bill (S. 1883) is amended, was passed, as follows:
S. 1883
That this Act may be cited as the "Trademark Law Revision Act of 1988".

Sec. 2. For purposes of this Act, the Act entitled "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" shall be referred to as the "Trademark Act of 1946".

Sec. 3. Section 1 of the Trademark Act of 1946 (15 U.S.C. 1051) is amended by--
(1) inserting a section heading before section 1 to read as follows: "REQUIREMENTS FOR APPLYING TO REGISTER TRADEMARKS ON THE PRINCIPAL REGISTER";
(2) striking out "may register his" in the matter before subsection (a) and inserting in lieu thereof "may apply to register his";
(3) redesignating paragraphs (1), (2), and (3) of subsection (a) as subparagraphs (A), (B), and (C), respectively;
(4) redesignating subsections (a), (b), and (c) as paragraphs (1), (2), and (3), respectively;
(5) inserting "(a)" after "Section 1.";
(6) striking out "applied to" in subsection (a)(1)(A), as redesignated herein, and inserting in lieu thereof "used on or in connection with";
(7) striking out "actually" in subsection (a)(1)(C), as redesignated herein;
(8) striking out "filing" in subsection (a)(2), as redesignated herein, and inserting in lieu thereof "prescribed"; and
(9) adding at the end thereof the following:
"(b) A person who has a bona fide intention to use a trademark in commerce, such intention to reflect the good faith circumstances relating to the intended use, may apply to register the trademark under this Act on the principal register here--by 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 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 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, is entitled to use the mark 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 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 of this Act, no mark shall be registered until the applicant has met the requirements of section 13(b)(2) hereof; 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 thereof for purposes of this Act, by amending his application to bring it into conformity with the requirements of subsection (a).".

Sec. 4. Section 2 of the Trademark Act of 1946 (U.S.C. 1052) is amended--
(1) by amending subsection (d) to read as follows:
"(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 (1) the earliest of the filing dates of the applications pending or of any registration issued under this Act; or (2) July 5, 1947, in the case of registrations previously issued under t he 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;"
(2) in subsection (e) by striking out "applied to" each place it appears and inserting in lieu thereof "used on or in connection with"; and
(3) in subsection (f) by--
(A) striking out "applied to" and inserting in lieu thereof "used on or in connection with;" and
(B) striking out "five years" through the end of the subsection and inserting in lieu thereof "five years next preceding an offer of proof by the applicant."

Sec. 5. Section 3 of the Trademark Act of 1946 (15 U.S.C. 1053) is amended by--
(1) striking out "used in commerce" in the first sentence;
(2) striking out ", except when" through "mark is used" in the first sentence; and
(3) striking out the second sentence.

Sec. 6. Section 4 of the Trademark Act of 1946 (15 U.S.C. 1054) is amended by--
(1) striking out "origin used in commerce," and inserting in lieu thereof "origin,";
(2) striking out "except when" in the first sentence and inserting in lieu thereof "except in the case of certification marks when"; and
(3) striking out the second sentence.

Sec. 7. Section 5 of the Trademark Act of 1946 (15 U.S.C. 1055) is amended by adding at the end thereof the following: "First use of a mark by a person, which use is controlled by

the registrant or applicant for registration of the mark in respect to the nature and quality of the goods or services, shall inure to the benefit of the registrant or applicant."

Sec. 8. Section 6(b) of the Trademark Act of 1946 (15 U.S.C. 1056(b)) is amended by striking out "(d)" and inserting in lieu thereof "(e)".

Sec. 9. Section 7 of the Trademark Act of 1946 (15 U.S.C. 1057) is amended by--
(1) amending subsection (b) to read as follows:
"(b) A certificate of registration of a mark upon the principal register provided by this Act shall be prima facie evidence of the validity of the registered mark and of the registration thereof, of the registrant's ownership of the mark, and 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 certificate, subject to any conditions or limitations stated therein.";
(2) redesignating subsections (c), (d), (e), (f), and (g) as subsections (d), (e), (f), (g), and (h), respectively;
(3) inserting between subsection (b) and subsection (d), as redesignated herein, the following:
"(c) Contingent on the registration of a mark on the principal register established herein, 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 and that application 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 has acquired a right of priority by the timely filing under section 44(d) of an application to register the mark on the principal register and that application is pending or has resulted in registration of the mark on the principal register.";
(4) amending subsection (d), as redesignated herein, by striking out "fee herein provided" and inserting in lieu thereof "prescribed fee";
(5) amending subsection (f), as redesignated herein, by striking out "fee required by law" and inserting in lieu thereof "prescribed fee"; and
(6) amending subsection (h), as redesignated herein, by striking out "required fee" and inserting in lieu thereof "prescribed fee".

Sec. 10. Section 8(a) of the Trademark Act of 1946 (15 U.S.C. 1058a) is amended by--
(1) striking out "twenty" and inserting in lieu thereof "ten"; and
(2) striking out "showing that said mark is in use in commerce or showing that its" and inserting in lieu thereof "setting forth those goods or services recited in the registration on or in connection with which the mark is in use in commerce and having attached thereto a specimen or facsimile showing current use of the mark, or showing that any".

Sec. 11. Section 9(a) of the Trademark Act of 1946 (15 U.S.C. 1059(a)) is amended by striking out "twenty" and inserting in lieu thereof "ten".

Sec. 12. Section 10 of the Trademark Act of 1946 (15 U.S.C. 1060) is amended to read as follows:
"ASSIGNMENT AND GRANT OF SECURITY INTEREST
"Sec. 10. (a) 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. 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 13(b)(2), except to a successor to the business of the applicant, or portion thereof, to which the mark pertains.
"(b)(1) A security interest in a registered mark, or a mark for which an application for registration has been filed under section 1(b) or subsection (d) or (e) of section 44, may be obtained and will be superior to any interest subsequently granted to third party, provided--
"(A) the party granted the security interest obtains a security interest in 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
"(B) notice of such interest is filed in the Patent and Trademark Office--
"(i) within ten days after the interest is granted if the interest pertains to a registered mark or if it pertains to a mark which is the subject of an application for registration under section 1(b) or subsection (d) or (e) of section 44, or
"(ii) within four months after the mark is registered if the interest pertains to a mark which is the subject of an application under section 1(a) or 23 and the person holding the interest has a valid, perfected interest pursuant to State law at the time the mark is registered.
"(2) A party granted a security interest in a registered mark, or a mark for which an application for registration has been filed under section 1(b) or subsection (d) or (e) of section 44, may, after default by the party granting the security interest, require the debtor to assign the mark to--
"(A) a transferee who is also being assigned that part of the goodwill of the business connected with the use of and symbolized by the mark; or
"(B) the party holding the security interest, even though such party does not presently engage in the business to which the mark relates, provided that the secured party either subsequently engages in the business to which the mark relates or holds the mark only for the purpose of subsequently transferring the mark along with the goodwill associated with the mark and that such subsequent transfer occurs prior to dissipation of the goodwill.
"(3) A security interest in a mark obtained pursuant to this section will extend to the consideration received upon the sale, exchange, collection or other disposition of the mark for ten days after receipt of the consideration by the transferor and will then lapse unless a financing statement or other document is filed as required by appropriate State law.
"(c) In any assignment of or grant of a security interest in a mark 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.
"(d) Assignments and grants of security interest shall be by instruments in writing duly executed. Acknowledgment shall be prima facie evidence of the execution of an assignment or a grant of a security interest and when recorded in the Patent and Trademark Office the record shall be prima facie evidence of execution. An assignment of or grant of a security interest in a mark shall be void as against any subsequent purchaser or other entity being granted an interest for a valuable consideration without notice, unless recorded in the Patent and Trademark Office--
"(1) within three months after the date thereof or prior to such subsequent purchase in the case of an assignment; or
"(2) pursuant to the provisions of subsection (b)(1)(B) or prior to the subsequent filing of a conflicting interest, whichever is later, in the case of the grant of any security interest.
"(e) A separate record of documents submitted for recording under this section shall be maintained in the Patent and Trademark Office. Such record shall include any release, cancellation, discharge, or satisfaction relating to any conveyance or other instrument affecting title to or any interest in a registered mark or a mark for which application to register has been filed.
"(f) An assignee or holder of a security interest not domiciled in the United States shall be subject to and comply with the provisions of section 1(d) of this Act.".

Sec. 13. Section 12(a) of the Trademark Act of 1946 (15 U.S.C. 1062a) is amended by--
(1) striking out "fee herein provided" and inserting in lieu thereof "prescribed fee"; and
(2) striking out "to registration, the" and inserting in lieu thereof "to registration, or would be entitled to registration upon the acceptance of the statement of use prescribed in section 13(b)(2) of this Act, the".

Sec. 14. Section 13 of the Trademark Act of 1946 (15 U.S.C. 1063) is amended by--
(1) inserting "(a)" before "Any person";
(2) striking out "required fee" and inserting in lieu thereof "prescribed fee"; and
(3) adding at the end thereof the following:
"(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 he applied for registration under section 1(b). Within six months following the date of the notice of allowance, 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 and 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 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 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. The notice shall specify the goods or services for which the mark is registered.
"(A) The time for filing the statement of use shall be extended for an additional six--month period upon written request of the applicant prior to expiration of the six--month period. 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. Up to six further extensions of six months each shall be obtained when requested prior to the expiration of the extended period and 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 most recent extension for which the applicant has a continued bona fide intention to use the mark in commerce. Each request for an extension shall be accompanied by payment o f the prescribed fee.
"(B) The Commissioner shall notify any applicant who files a statement of use of the acceptance or refusal thereof and, if a refusal, the reasons therefor. An applicant may amend his statement of use.
"(C) The failure to timely file a verified statement of use shall result in abandonment of the application.".

Sec. 15. Section 14(c) of the Trademark Act of 1946 (15 U.S.C. 1064(c)) is amended to read as follows:
"(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 registered mark has become the generic name of goods or services on or in connection with which it has been used; or"

Sec. 16. Section 15(4) of the Trademark Act of 1946 (15 U.S.C. 1065(4))) is amended by striking out the "common descriptive name of any article or substance, patented or otherwise" and inserting in lieu thereof "the generic name for the goods or services or a portion thereof, for which it is registered".

Sec. 17. Section 16 of the Trademark Act of 1946 (15 U.S.C. 1066) is amended by striking out "applied to the goods or when used in connection with the services" and inserting in lieu thereof "used on or in connection with the goods or services".

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Sec. 18. Section 18 of the Trademark Act of 1946 (15 U.S.C. 1068) is amended by--
(1) striking out "or restrict" and inserting in lieu thereof "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";
(2) striking out "or" before "may refuse"; and
(3) adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) prior to the mark being registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).".

Sec. 19. Section 19 of the Trademark Act of 1946 (15 U.S.C. 1069) is amended by striking out the second sentence.

Sec. 20. Section 21 of the Trademark Act of 1946 (15 U.S.C. 1071) is amended--
(1) in subsection (a), by striking out "section 21(b)" each place it appears and inserting in lieu thereof "subsection (b)";
(2) in subsection (a), by striking out "section 21(a)(2) hereof" and inserting in lieu thereof "paragraph (2) of this subsection";
(3) in subsection (a)(4), by adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) prior to the mark being registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).".
(4) in subsection (b), by striking out "section 21(a)" each place it appears and inserting in lieu thereof "subsection (a)";
(5) in subsection (b)(1), by adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) prior to the mark being registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).".
(6) in subsection (b)(3), by amending the first sentence of such paragraph to read as follows:
"(3) In any case where there is no adverse party, a copy of the complaint shall be served on the Commissioner, and, unless the court finds the expenses to be unreasonable, all the expenses of the proceeding shall be paid by the party bringing the case, whether the final decision is in favor of such party or not.".

Sec. 21. Section 23 of the Trademark Act of 1946 (15 U.S.C. 1091) is amended by--
(1) inserting "(a)" before "In addition" in the first paragraph;
(2) inserting "(b)" before "Upon the" in the second paragraph;
(3) inserting "(c)" before "For the purposes" in the third paragraph;

(4) striking out "paragraphs (a)," in subsection (a), as designated herein, and inserting in lieu thereof "subsections (a),";
(5) striking out "have been in lawful use in commerce by the proprietor thereof, upon" in subsection (a), as designated herein, and inserting in lieu thereof "are in use in commerce by the owner thereof, on";
(6) striking out "for the year preceding the filing of the application" in subsection (a), as designated herein;
(7) inserting before "section 1" in subsection (a), as designated herein, the following: "subsections (a) and
(d) of";
(8) striking out "fee herein provided" in subsection (b), as designated herein, and inserting in lieu thereof "prescribed fee"; and
(9) striking out the last paragraph.

Sec. 22. Section 24 of the Trademark Act of 1946 (15 U.S.C. 1092) is amended by--
(1) striking out "verified" in the second sentence;
(2) striking out "was not entitled to register the mark at the time of his application for registration thereof," and inserting in lieu thereof "is not entitled to registration,";
(3) striking out "is not used by the registrant or"; and
(4) adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) prior to the mark being registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).".

Sec. 23. Section 26 of the Trademark Act of 1946 (15 U.S.C. 1094) is amended by--
(1) inserting "1(b)," after "sections"; and
(2) inserting "7(c)," after "7(b)".

Sec. 24. Section 27 of the Trademark Act of 1946 (15 U.S.C. 1095) is amended by adding at the end thereof the following: "The filing of an application to register a mark on the supplemental register, or registration of a mark thereon, shall not constitute an admission that the mark is not eligible for registration on the principal register established herein.".

Sec. 25. Section 29 of the Trademark Act of 1946 (15 U.S.C. 1111) is amended by striking out "as used".

Sec. 26. Section 30 of the Trademark Act of 1946 (15 U.S.C. 1112) is amended by--
(1) inserting "or registrant's" after "applicant's";
(2) striking out "may file an application" and inserting in lieu thereof "may apply";
(3) striking out "goods and services upon or in connection with which he is actually using the mark:" and inserting in lieu thereof "goods or services on or in connection with which he is using or he has a bona fide intention to use the mark in commerce:"; and
(4) by amending the proviso to read: "Provided, That when 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.".

Sec. 27. Section 31 of the Trademark Act of 1946 (15 U.S.C. 1113) is amended by--
(1) striking out "Section 31. Fees"; and
(2) inserting "Sec. 31." before "(a)".

Sec. 28. Section 32(2) of the Trademark Act of 1946 (15 U.S.C. 1114(2)) is amended by striking out
"injunction" and inserting in lieu thereof "injunctive".

Sec. 29. Section 33(a) of the Trademark Act of 1946 (15 U.S.C. 1115(a)) is amended by--
(1) inserting "the validity of the registered mark and of the registration thereof, of the registrant's ownership of the mark, and of the" after "prima facie evidence of";
(2) inserting "or in connection with" after "in commerce on";
(3) striking out "an opposing party" and inserting in lieu thereof "another person"; and
(4) inserting ", including those set forth in subsection (b)," after "or defect".

Sec. 30. Section 33(b) of the Trademark Act of 1946 (15 U.S.C. 1115(b)) is amended by-
(1) amending the matter in subsection (b) before paragraph (1) to read as follows:
"(b) To the extent that the right to use the registered mark has become incontestable under section 15, the registration shall be conclusive evidence of the validity of the registered mark and of the registration thereof, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce. Such conclusive evidence shall relate to the exclusive right to use the mark on or in connection with the goods or services specified in the affidavit filed under the provisions of section 15 or, if fewer in number, the renewal application filed under the provisions of section 9 hereof, subject to any conditions or limitations in the registration or in such affidavit or renewal application. Such conclusive evidence of the right to use the registered mark shall be subject to proof of infringement as defined in section 32, and shall be subject to the following defenses or defects:";
(2) striking out "services in" in paragraph (3) and inserting in lieu thereof "services on or in";
(3) striking out "trade or service" in paragraph (4);
(4) striking out "to users" in paragraph (4);
(5) striking out "registration of the mark under this Act or" in paragraph (5) and inserting in lieu thereof "(A) the date of constructive use of the mark established pursuant to section 7(c), or (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)"; and
(6) adding at the end of the subsection, the following: "In addition, equitable principles, including laches, estoppel, and acquiescence, were applicable, may be considered and applied.".

Sec. 31. Section 34 of the Trademark Act of 1946 (15 U.S.C. 1116) is amended--
(1) in subsection (a) by--

(A) striking out "of the registrant of a mark registered in the Patent and Trademark Office" and inserting in lieu thereof "protected under this act"; and
(B) adding at the end thereof the following:
"However, no final judgment shall be entered in favor of an applicant under section 1(b) prior to the mark being registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).": and
(2) in subsection (c) by--
(A) striking out "proceeding arising" and inserting in lieu thereof "proceeding involving a mark registered"; and
(B) striking out "decision is rendered, appeal taken or a decree issued" and inserting in lieu thereof "judgment is entered or an appeal is taken".

Sec. 32. Section 35(a) of the Trademark Act of 1946 (15 U.S.C. 1117(A)) is amended by striking out "of the registrant of a mark registered in the Patent and Trademark Office" and inserting in lieu thereof "protected under this Act".

Sec. 33. Section 36 of the Trademark Act of 1946 (15 U.S.C. 1118) is amended by--
(1) striking out "of the registrant of a mark registered in the Patent and Trademark Office" and inserting in lieu thereof "protected under this Act"; and
(2) striking out "registered mark" and inserting in lieu thereof "mark".

Sec. 34. (a) Section 39 of the Trademark Act of 1946 (15 U.S.C. 1121) is redesignated as subsection (a) of section 39 by inserting "(a)" after "Sec. 39.".
(b) Section 39a of the Trademark Act of 1946 (15 U.S.C. 1121a) is redesignated as subsection (b) of section 39 by striking out "Sec. 39a." and inserting in lieu thereof "(b)".
(c) Subsection (b) of section 39, as redesignated herein, is amended by striking out "servicemarks" each place it appears and inserting in lieu thereof "service marks".

Sec. 35. Section 43(a) of the Trademark Act of 1946 (15 U.S.C. 1125(a)) is amended to read as follows:

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"(a)(1) Any person who uses in commerce on or in connection with any goods or services, or any container for goods, any word, term, name, symbol, or device or any combination thereof, or who shall engage in any act, trade practice, or course of conduct in commerce, which--
"(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another, or to the origin, sponsorship, or approval of his goods, services, or commercial activities by another; or
"(B) by use of a false designation of origin or of a false or misleading description or representation, misrepresents the nature, characteristics, or qualities of his or another person's goods, services, commercial activities or their geographic origin; shall be liable in a civil action by any person who believes that he is or is likely to be damaged by such action.

"(2) The relief provided in this subsection shall be in addition to and shall not affect those remedies otherwise available under this Act, under common law, or pursuant to any statute of the United States:
Provided, That nothing in this subsection shall be construed so as to preempt the jurisdiction of any State to grant relief in cases of unfair competition.".

Sec. 36. Section 43 of the Trademark Act of 1946 (15 U.S.C. 1125) is amended by adding at the end thereof the following new subsection:
"(c)(1) The owner of a famous mark registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register established herein shall be entitled, subject to the principles of equity, taking into account, among other things, the good faith use of an individual's name or an indication of geographic origin, to an injunction against another person's use in commerce of a mark, commencing after the registrant's mark becomes famous, which causes dilution of the distinctive quality of the registrant's mark, and to obtain such other relief as is provided in this subsection. In determining whether a mark is famous and has distinctive quality, a court shall weigh the following and other relevant factors:
"(A) whether the mark is inherently distinctive or has become distinctive through substantially exclusive and continuous use;
"(B) whether the duration and extent of use of the mark are substantial;
"(C) whether the duration and extent of advertising and publicity of the mark are substantial;
"(D) whether the geographical extent of the trading area in which the mark is used is substantial;
"(E) whether the mark has substantial renown in its and the other person's trading area and channels of trade; and
"(F) whether the same or similar marks are being used substantially by third parties.
"(2) The registrant shall be entitled only to injunctive relief in an action brought under this subsection, unless the subsequent user willfully intended to trade on the registrant's reputation or to cause dilution of the registrant's mark. If such willful intent is proven, the registrant shall also be entitled to the remedies set forth in sections 35(a) and 36 hereof, subject to the discretion of the court and the principles of equity.
"(3) Ownership of a valid registration under the Act of 1881 or the Act of 1905 or on the principal register established herein shall be a complete bar to an action brought by another person, under the common law or statute of a State, seeking to prevent dilution of the distinctiveness of a mark, label, or form of advertisement.".

Sec. 37. Section 44 of the Trademark Act of 1946 (15 U.S.C. 1126) is amended--
(1) by striking out "fees herein prescribed" in subsection (a) and inserting in lieu thereof "fees required herein";
(2) by striking out "paragraph (b)" each place it appears and inserting in lieu thereof "subsection (b)";
(3) in subsection (d) by striking out "sections 1, 2, 3, 4, or 23" and inserting in lieu thereof "section 1, 3, 4, 23, or 44(e)";

(4) in subsection (d)(2) by striking out "but use in commerce need not be alleged" and inserting in lieu thereof "including a statement that the applicant has a bona fide intention to use the mark in commerce";
(5) in subsection (d)(3), by striking out "foreing" and inserting in lieu thereof "foreign";
(6) in subsection (e) by adding at the end thereof the following: "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."; and
(7) in subsection (f), by striking out "paragraphs (c), (d)," and inserting in lieu thereof "subsections (c), (d),".

Sec. 38. Section 45 of the Trademark Act of 1946 (15 U.S.C. 1127) is amended by--
(1) amending the paragraph defining "related company" to read as follows: "The term 'related company' means any person whose use of a mark is controlled by the owner of the mark in respect to the nature and quality of the goods or services on or in connection with which the mark is used.";
(2) amending the paragraph defining "trade name" and "commercial name" to read as follows:
"The terms 'trade name' and 'commercial name' mean any name used by a person to identify his business or vocation.";
(3) amending the paragraph defining "trademark" to read as follows:
"The term 'trademark' 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 he applies for registration on the principal register established by this Act, to identify and distinguish his goods, including a unique product, from those of others and to indicate the source of the goods, even if that source is unknown.";
(4) amending the paragraph defining "service mark" to read as follows:
"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 he 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 those 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.";
(5) amending the paragraph defining "certification mark" to read as follows:
"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.";
(6) amending the paragraph defining "collective mark" to read as follows:
"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.";
(7) amending the paragraph defining "mark" to read as follows: "The term 'mark' includes any trademark, service mark, collective mark, or certification mark.";
(8) amending the matter which appears between the paragraph defining "mark", and the paragraph defining "colorable imitation" to read as follows:
"The term 'use in commerce' means use of a mark in the ordinary course of trade, commensurate with the circumstances, 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 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, or if the nature of the goods makes such placement impracticable then on documents associated with the goods or their sale, and 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 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'
"(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, commensurate with the circumstances, 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 subparagraph.
"The term 'dilution' means the material reduction of the distinctive quality of a famous mark through use of the mark by another person, regardless of the presence or absence of (1) competition between the users of the mark, or (2) likelihood of confusion, mistake, or deception arising from that use.".

Sec. 39. The Trademark Act of 1946 is amended by adding at the end thereof the following:
"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.".

Sec. 40. This Act and the amendments made by this Act shall become effective on the date one year after the date of enactment of this Act.

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Mr. Byrd. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. Thurmond. Mr. President, I move to lay that motion on the table.
The motion to lay on the table was agreed to.