93D CONGRESS
1ST SESSION

S. 1362

IN THE SENATE OF THE UNITED STATES

MARCH 26, 1973

Mr MCCLELLAN (for himself and Mr SCOTT of Pennsylvania) introduced the following bill, which was read twice and referred to the Committee on the Judiciary

A BILL

To amend the 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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Unfair Competition Act of 1973".

SEC 2. The title of the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946 (60 Stat 427), is amended by inserting after

FINAL ACTION

"commerce," the words "to protect persons against unfair competition".

SEC. 3. Section 32(2) (15 U S C. 1114(2)) of said Act is amended by deleting its present introduction and paragraph (a) and substituting therefor. "Notwithstanding any other provision of this Act, the remedies given under this Act for the infringement of any right shall be limited as follows:

"(a) where an infringer is engaged solely in the business of printing for others and establishes that he was an innocent infringer, the owner of the right infringed shall be entitled as against such infringer only to an injunction against future printing,".

SEC 4 Section 34 (15 U S C 1116) of said Act is amended by deleting from the end of the first sentence thereof "of the registrant of a mark registered in the Patent Office" and substituting therefor "protected under this Act", and by inserting in the third paragraph after the word "proceeding" (first occurrence) the words "involving a registered trademark and".

SEC 5 Section 35 (15 U S.C 1117) of said Act is amended by deleting the first sentence thereof and substituting therefor "When a violation of any right protected under this Act shall have been established in any civil action arising under this Act, the plaintiff shall be entitled, subject

to the provisions of sections 29 and 32 and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiffs, and (3) the costs of the action" and by inserting a new sentence as the last sentence of said section to read "The court in exceptional cases may award reasonable attorneys' fees to the prevailing party."

SEC. 6 Section 36 (15 U S.C. 1118) of said Act is amended to read: "In any action arising under this Act, the court may order the labels, signs, prints, packages, wrappers, receptacles, and advertisements in the possession of the defendant, the use or intended use of which is in violation of any right protected under this Act, and all plates, molds, matrices, and other means of making the same, shall be delivered up and destroyed"

SEC. 7. Section 43 (15 U.S C. 1125) of said Act is amended by deleting subsections (a) and (b) and substituting therefor:

"SEC 43 (a) Any person who shall engage in any act, trade practice, or course of conduct, in commerce, which—

"(1) causes or is likely to cause confusion, mistake, or deception as to the affiliation, connection, or association of such person, or as to the origin, sponsorship, or approval of his goods, services, or vocational activities,

or results or is likely to result in passing off the goods, services, or vocational activities which he offers as or for those of any other person: *Provided,* That, in cases arising under this subsection which involve the simulation of the physical appearance of goods, unqualified injunctive relief may be granted only if those features of appearance which have been simulated are (i) substantially nonfunctional, and (ii) serve to identify the source of such goods and to distinguish them from those manufactured or sold by others, or

"(2) by a false or misleading representation or omission of material information. either (i) misrepresents his goods, services, vocational activities, or their geographic origin, or (ii) misrepresents or disparages another person's goods, services, vocational activities, or their geographic origin, or

"(3) results or is likely to result in the disclosure or appropriation of a trade secret or confidential information as a consequence of a breach of trust, theft, trespass or other tortious or unlawful conduct.

"(4) without being limited to or by the foregoing subsections (1) through (3), otherwise constitutes unfair competition by misrepresentation or misappropriation,

shall be liable in a civil action for unfair competition.

"(b) The remedies provided in this Act shall be available to any person whose business or vocational activity, or the goodwill thereof is or is likely to be damaged, to prevent and to recover for the forms of unfair competition enumerated in paragraph (a) hereof: *Provided*, That it shall not be necessary to prove competition between the parties, actual confusion, mistake, or deception, or, except where proof thereof may be required by a court in awarding relief under section 35, intent to injure the business or vocational activity of any other person or the goodwill thereof.

"(c) The relief provided for by this section shall be in addition to and shall not affect those remedies otherwise available under this Act, under the common law, or pursuant to the statutes of any State or of the United States (including patent and copyright statutes). Nothing in this section shall be construed so as to preempt the jurisdiction of any State to grant relief in cases of unfair competition."

SEC. 8. Section 44(h) (15 U.S.C. 1126h) of said Act is amended to read: "Any person designated in paragraph (b) of this section shall be entitled to the remedies provided in this Act for unfair competition and infringement of marks."

SEC. 9. The provided clause of section 46(a) is amended by deleting "in force on the effective date of this Act" and

inserting after "which does not relate to trademarks" the phrase "or unfair competition,".

SEC. 10. Section 1338(a) of title 28, United States Code, the first sentence is amended by inserting ", unfair competition" after "copyrights".

SEC. 11 Section 1338(b) of title 28, United States Code, is amended to read.

"(b) The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition under the law of any State, when joined with a substantial and related claim under any Act of Congress relating to patents, copyrights, unfair competition, or trademarks."

SEC 12. This Act shall become effective upon enactment, but except as otherwise herein specifically provided it shall not affect any suit, proceeding, or appeal then pending.

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