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Technical Input  
Memorandum  
on S.B. 678 and H.B. 845

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Registration and Protection of  
Trademarks Act

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Respectfully Submitted By:

The Florida Bar Business Law Section –  
Intellectual Property Law Committee -  
Subcommittee on Proposed Amendments to  
Florida Trademark Statute (Michael B.  
Chesal, Ava Doppelt, David Ellis, James  
Gale, C. Douglas McDonald, and Jeanne  
Seewald)

# M E M O R A N D U M

TO: Senator G. "Skip" Campbell, Jr. and Representative Bill Galvano

FROM: Florida Bar Business Law Section – Intellectual Property Law Committee -  
Subcommittee on Proposed Amendments to Florida Trademark Statute  
(Michael B. Chesal, Ava Doppelt, David Ellis, James Gale, C. Douglas  
McDonald, and Jeanne Seewald)

SUBJECT: Technical Input on S.B. 678 and H.B. 845 – Registration and Protection of  
Trademarks Act

DATE: March 9, 2005

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## I. Introduction

At the January 20, 2005 meeting of the Florida Bar Business Law Section's Intellectual Property Committee, the Committee voted to form a subcommittee to analyze and provide technical input on S.B. 678 and its counterpart, H.B. 845. (Copies of these bills are attached hereto as Exhibits "A" and "B" respectively.) The law proposed by these bills was predicated on a model bill prepared by the International Trademark Association ("INTA") and is commonly referred to as INTA's Model State Trademark Bill ("MSTB").

At the outset, the subcommittee questions whether there is a need for the wholesale replacement of Florida's current trademark statute as contemplated by the bills, although certain minor amendments would be in order. After analyzing the bills and eliciting input from the Florida Department of State's Division of Corporations<sup>1</sup> (the agency responsible for maintaining the state's system of trademark registration), the subcommittee has determined that certain provisions of the bills may not sufficiently take into account the particular needs of the citizens of this state or the financial and administrative impact that adoption of the proposed law would have on the Division of Corporations. The subcommittee is also concerned that that some of the proposed amendments may not fulfill the stated purpose of the bills, i.e., "to provide a system of state trademark registration and protection substantially consistent with the federal system of trademark registration and protection under the Trademark Act of 1946." (See S.B. 678 and H.B. 845, § 20 (proposed § 495.171(2)).) In light of the foregoing, the subcommittee makes the following technical recommendations with regard to the consideration of these bills.

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<sup>1</sup> The comments of the Department of State's Division of Corporations are based upon input received from Jay Kassees, head of the Department of State's Division of Corporations.

## **II. Background**

Florida's present trademark statute, §§ 495.011-495.181, Fla. Stat., was enacted in 1967, Ch. 67-58, Laws of Fla. This statute was based upon INTA's 1964 model bill (when INTA was then known as the United States Trademark Association). The law was last amended substantively in 1990, when, among other things, the Florida legislature added a name reservation provision to the law. (A copy of the 1990 Act amending the statute, Ch. 90-222, Laws of Fla., is attached hereto as Exhibit "C.")

In September 1992, INTA's Board of Directors approved a proposal revising the 1964 MSTB to reflect what the organization felt were the "current needs of intrastate and regional commerce while harmonizing state trademark practices with recent changes in federal trademark law." (*See* INTA White Paper on New Model State Trademark Act, a copy of which is attached hereto as Exhibit "D.") INTA subsequently amended the dilution provision of the new MSTB to make it consistent with the Federal Trademark Dilution Act of 1996.

INTA has advised our subcommittee that the MSTB has been adopted in 26 states, although we do not know what amendments or modifications may have been made to the proposed law in the various states in which it has been adopted.

On January 12, 2005, Senator Campbell introduced S.B. 678, which incorporates the MSTB in most respects. The bill has been referred to the Commerce and Consumer Services Committee. On February 15, 2005, Representative Galvano introduced H.B. 845.

## **III. Summary of Bills; Comments and Technical Input.**

**Section 1. Popular Name.** This section proposes to name Chapter 495 "Registration and Protection of Trademarks Act."

Comments: None.

**Section 2. Definitions.** This section, amending § 495.011, revises many of the definitions in the present statute to conform with the definitions contained in the federal trademark act (the "Lanham Act"). It also adds new terms and deletes some of the terms that are defined in the present law.

Comments:

A. The proposed definition of "abandonment" is not consistent with the Lanham Act definition of this term. Under the Lanham Act, nonuse of a mark for 3 consecutive years constitutes prima facie evidence of abandonment, *see* 15 U.S.C. § 1127, while under the proposed law, 2 years of nonuse would constitute prima facie evidence of abandonment. Since the stated (and laudable) intent of the proposed law is to "provide a system of state trademark registration and protection substantially consistent with the federal system," it would appear that these definitions should be harmonized.

B. The proposed law deletes the definitions of “Certification Mark” and “Collective Mark.”<sup>2</sup> The reason for the deletion is that under the proposed law, protection would no longer be available for these types of marks. As explained in somewhat more detail below, the protection that these marks afford is important to consumers and the associations and supervising agencies that hold such marks. Additionally, offering protection for these types of marks would be consistent with federal law. Accordingly, due consideration should be given to retaining the provisions of the current law that afford protection for these types of marks, and therefore including these terms in the definition section of the law. (If protection for such marks is retained, then the definition of “Mark” would also need to be amended to include collective and certification marks consistent with the current law.)

C. The proposed law deletes the definition of “Related Company.” If the substantive Related Company provision of the law is retained however, as suggested in the discussion regarding § 495.041 below, then retaining this definition would be important.

**Section 3. Registrability.** This section amends § 495.021 by making technical revisions to existing terminology. Substantively, it deletes the provision regarding registration of collective and certification marks, § 495.021(2).

Comments:

A. As noted above, due consideration should be given to the importance of retaining in the law the provisions for registration and protection of collective marks and certification marks. Many associations and certifying agencies depend upon this protection to enforce compliance with their rules and regulations, and consumers necessarily rely upon such marks for assurance that those who use them are in fact complying with the rules and regulations under which their use is governed. As a technical matter, the bill also does not address what happens with existing registrations for certification and collective marks.

B. In subsection 5(c) of this section, the term “substantially exclusive” has been deleted from the provision that presently allows the Department of State to consider “substantially exclusive and continuous use” of a mark in determining acquired distinctiveness. In order to be consistent with the federal counterpart, Section 2(f) of the Lanham Act, 15 U.S.C. § 1052(f), this terminology would need to be changed.

C. Under the proposed law, all references to the “Department of State” have been changed to “Secretary.” The bills define “Secretary” as “the Secretary of State or the designee of the secretary charged with the administration of this chapter.” The Division of Corporations questions the propriety of this change in terminology. To be technically correct and consistent with present practice, all references to “Secretary of State” would need to be changed to “Department of State” (in which case the definition of “Secretary” would become extraneous).

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<sup>2</sup> Examples of Florida collective and certification marks include ASSOCIATION OF FLORAL IMPORTERS OF FLORIDA (Reg. No. T9600000960), a collective mark owned by The Association of Floral Importers of Florida, used by its members to indicate membership in the association, and the certification mark KM and Design (Reg. No. T0400000809), owned by The Vaad Hakashrus of Miami-Dade, Inc., used to certify kosher food, milk and beverages. Other well known collective and certification marks include the Underwriters Laboratories’ UL certification mark used on electrical appliances and REALTOR ASSOCIATE used to indicate membership in the National Association of Realtors.

D. Proposed § 495.021(6) would delete the following provision: “Registration shall not be denied solely on the basis of reservation or registration by another of a corporate name or fictitious name that is the same or similar to the mark for which registration is sought.” The Division of Corporations and the subcommittee note that this is the current law and policy, and are concerned that deleting this provision might have the unintended consequence of implying that registration *could* be denied solely on the basis of reservation or registration by another of a corporate name or fictitious name that is the same or similar to the mark for which registration is sought. That result would appear to be contrary to law.

**Section 4. Reservation.** This section only contains a technical amendment to the language of § 495.027, although that does not appear to be consistent with the MSTB.

Comments:

It was obviously INTA’s intent to delete this entire section. The Division of Corporations receives approximately 250 reservation applications per year, but neither the Division of Corporations nor this subcommittee have a strong opinion one way or another as to whether this provision remains, although the intent of the law is laudable.

**Section 5. Application for Registration.** This section rewrites the current law governing trademark application requirements.

Comments:

A. Proposed § 495.031(1)(a) refers only to corporations and partnerships when referring to types of business entity applicants. Because there are other types of business entities that may apply for registration, it would be more appropriate to use broader language such as “a business entity registered with the Department of State.” (This comment would apply throughout the bills wherever business entities are referred to.)

B. The Division of Corporation’s comment above regarding business entities “registered with the Department of State” is consistent with its policy of requiring that all business entity applicants be authorized to transact business in Florida under § 607.1501, Fla. Stat. (or the parallel provisions under the partnership and LLC statutes). However, since there may be business entities that apply for trademark registration in Florida, but which do not “transact business within this state” for purposes of those statutes, consideration should be given to an amendment that clarifies this issue. For example, it may be appropriate to require that applicant’s who do not transact business in this state within the meaning of the relevant statutes designate a person upon whom notice or process in proceedings affecting the mark may be served, consistent with Section 1(e) of the Lanham Act, 15 U.S.C. § 1051(e).

C. Proposed § 495.031(1)(d) includes a requirement that the applicant state that “no other person has registered, either federally or in this state . . . such mark.” Under the present law, the applicant need only state that “no other person except a related company has the right to use such mark in this state . . . .” Because the rights of an applicant may be superior to the rights of a federal registrant (such as in the case of prior use), the proposed change would not appear to be consistent with the law. In other words, if the law were amended as proposed, the existence of a

federal registration would constitute an absolute bar to a state registration even though the state applicant may have superior rights.

D. Proposed § 495.031(2) includes a provision that allows the “secretary” to require that the applicant state whether it has also filed an application for federal registration, and if so, to provide full particulars of such application. This requirement may be unduly burdensome on applicants and could create a trap for the unwary. Information on federal applications is available to the Department of State from the United States Patent and Trademark Office (“USPTO”) website. Requiring an applicant to provide such information could have the unintended consequence of giving rise to liability for failing to disclose information that the applicant did not consider relevant, had no access to, or was simply unaware of. Because of these considerations, serious consideration should be given to deleting this provision.

**Section 6. Filing of Applications.** This section would create a new § 495.035, governing the examination of applications.

Comments:

A. Based upon a reading of the MSTB, the intent of the bill was presumably to delete §§ 495.041 (Use By Related Companies) and 495.051 (Disclaimers), but the bill does not appear to do so. The provision regarding use of a mark by related companies is an important rule of law, and it would need to be retained to remain consistent with Section 5 of the Lanham Act, 15 U.S.C. § 1055. Deleting this provision might have the unintended consequence of suggesting that use of a mark by a related company does *not* inure to the benefit of the owner of the mark. It should also be noted that the corresponding provision of the Lanham Act contains this additional provision: “If first use of a mark by a person is controlled by the registrant or applicant for registration of a mark with respect to the nature and quality of the goods or services, such first use shall inure to the benefit of the registrant or applicant, as the case may be.” To be consistent with the Lanham Act, this additional language would need to be added to the Florida statute.

B. Since the provision regarding disclaimers is contained in proposed section 495.035(2), deletion of section 495.051 would appear to be appropriate.

C. Proposed § 495.035(1) provides that upon the *filing* of an application for registration, the secretary may cause the application to be examined for conformity with the law. The Division of Corporations suggests that to avoid an issue concerning when its obligation to examine an application commences, consideration be given to changing “filing” to “receipt.”

D. Proposed § 495.035(2) deals with changes made to the application during the examination process. Consistent with its current practice, the Division of Corporations suggests that the term “amendments” be changed to “corrections.” Consistent with that change, the Division of Corporations also suggests that the term “correct” be substituted for the term “amend.” The subcommittee notes that this change could be significant if a correction to an application (as opposed to “amendment”) is deemed to affect the application filing date. (*See, e.g.*, proposed § 495.035(7) (governing the treatment of competing applications for the same mark)).<sup>3</sup> To avoid

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<sup>3</sup> The subcommittee also notes that the filing date of a federal application is significant for purposes of determining the date of constructive use of a mark. *See* 15 U.S.C. § 1057. Although Florida does not have a corresponding

any confusion on this point as to how an amendment or correction would affect an applicant's priority, consideration should be given to including a provision in the law specifying when an applicant will be accorded a filing date, and also indicating that a properly entered amendment or correction would not affect such filing date.

E. Proposed § 495.035(5) provides that an applicant has a "reasonable period of time specified by the secretary in which to reply or amend the application." For consistency, and to avoid uncertainty, a specified period of time for responding could be set by statute. The practice of the USPTO is to allow an applicant six months to respond to an "Office Action." In the case of a state application, consideration should be given to allowing an applicant three months within which to respond to a refusal to register a mark, but that for good cause (such as during the pendency of litigation involving the mark), the Division could be given authority to extend that period of time, or suspend the application process, consistent with the practice of the USPTO.

F. Proposed § 495.035(6) provides that an applicant may file a petition for writ of mandamus to compel registration following a denial by the secretary. The Division of Corporations is concerned about the burden this provision may place on the Division, and estimates that it may result in an additional cost to its operations of roughly \$350,000 per year. At a minimum, and for practical purposes, consideration should be given to including a venue provision, requiring that such actions be maintained in Leon County. In any event, since such actions are presumably already authorized by law, consideration should be given to whether it is even necessary to specifically provide for them by statute.

G. Proposed § 495.035(7) instructs the secretary on how to deal with conflicting applications for registration of the same mark. As noted above, the inclusion of this provision would seem to compel inclusion of an additional provision specifying when one is entitled to receive a filing date and how subsequent amendments to an application might affect that date.

**Section 7. Certificates of Registration.** This section makes technical amendments to the language of § 495.061, and deletes the provision of the statute which provides that the certificate of registration constitutes prima facie evidence of the validity of the registration, the registrant's ownership of the mark, etc. This section also deletes § 495.061(3), the provision regarding the rights that stem from reservation of a mark under § 495.027.

**Comments:**

A. The proposed amendment deleting the evidentiary effect of a registration would remove a lot of the "teeth" from existing trademark law. One of the primary benefits of a registration is the evidentiary value it provides to the registrant in an action for infringement. Because deleting this provision would significantly affect a registrant's rights, consideration should be given maintaining the status quo.

B. The name reservation provision should be deleted as proposed, but only if § 495.061(3) is also deleted, as discussed above.

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constructive use provision, query whether Florida courts would adopt that provision by judicial fiat given that the stated intent of the law is to follow federal law.

**Section 8. Duration and Renewal.** This section amends § 495.071 by, among other things, shortening the renewal period of a registration from 10 years to 5 years.

Comments:

A. The stated purpose of this amendment is to “reduce the number of ‘deadwood’ registrations.” (See INTA White Paper, § 6.) To remain consistent with federal law, serious consideration should be given to retaining the present 10 year duration of a registration. Additionally, the Division of Corporations is concerned about the burden this amendment would place on the Division because it would require that it maintain a dual system for tracking registrations, one to track existing 10 year registrations, and one to track newly issued 5 year registrations. In order to deal with the “deadwood” issue that the MSTB is designed address, consideration should be given to adopting a provision similar to the Lanham Act provision which requires that registrants file an affidavit of use during the fifth year of the registration. In any event, the Intellectual Property Committee could assist the department in implementing such a system.

B. The Division of Corporations is also concerned about the administrative burden that would be placed on the Division by requiring that registrants submit a specimen of use with each renewal application as contemplated by proposed § 495.071(4).

C. The Division of Corporations suggests that that it may be more practical to specify the renewal fee by statute rather than allowing it to be set by rule.

**Section 9. Assignments; changes of name; other instruments.** This section amends the “bona fide purchaser for value provision” of the trademark statute, requiring that an assignment of a registration be recorded within three months after the assignment or prior to the subsequent purchase. This change mirrors the federal law. See 15 U.S.C. § 1060(a)(4). It also adds a provision allowing for the recordation of name change amendments and other instruments affecting ownership in a mark.

Comments:

A. Proposed § 495.081(2) deals with registrants or applicants who change their name, and provides for the recording of a “certificate of change of name.” The Division of Corporations is very concerned about the administrative burden that this would place on the Division. The subcommittee also questions the need for this provision given that any formal corporate name change would presumably be reflected in the appropriate corporate records of the state in which the registrant is organized. Additionally, although the provision of this subsection that would authorize the issuance of a new certificate of registration in the registrant’s new name appears appropriate, the bill erroneously refers to the registrant/applicant as “assignee.”

B. Proposed § 495.081(3) provides for the recordation of other instruments affecting a mark, such as licenses, security interests, mortgages, etc. As noted above, the Division of Corporations is very concerned about the administrative burden this amendment would impose on the Division. The subcommittee notes that because the language of this provision is not mandatory, the Division’s concerns may be alleviated: “Other instruments . . . may be recorded in the discretion of the secretary.” In any event, consideration should be given to an amendment

referencing Ch. 679, Fla. Stat. (Uniform Commercial Code – Secured Transactions), providing that security interests in trademarks be created and perfected in accordance with such law.

**Section 10. Records.** This section adds a provision regarding the additional types of documents that may be recorded pursuant to § 495.081.

Comments:

As noted above, the Division of Corporations is concerned about the administrative burden that would accompany any amendments that impose an obligation on the Division to allow for the recording of new types of instruments.

**Section 11. Cancellation.** This section deletes the provision of § 495.101 regarding the cancellation of certification marks.

Comments:

As noted above, the provisions governing the protection of collective marks and certification marks are an important feature of trademark law. Accordingly, if those provisions are retained, the provision governing cancellation of certification marks should be retained as well. (For language consistent with the Lanham Act, *see* 15 U.S.C. 1064(5) (note addition in federal law of provision regarding advertising by the owner of a certification mark)).

**Section 12. Classification.** This section amends § 495.111 by providing that the secretary conform, “to the extent practical,” the classification of goods and services to the classification system adopted by the USPTO.

Comments:

In order to avoid complex rulemaking procedures, the Division of Corporations suggests that it may be more practical to amend the statute to specifically list the class numbers and headings of the updated international classification system (similar to how the statute is currently written). Consideration should thus be given to amending the bills to specifically include the current international classification system with its headings. (*See* Exhibit “E” attached hereto.) The original language of § 495.111 would thus remain intact. (*Cf.* 15 U.S.C. § 1112.)

**Section 13. Fraudulent Registration.** This section only changes the words “Department of State” to “secretary.”

Comments:

As noted above, the Division of Corporations questions the propriety of this change in terminology, and suggests that it may be more appropriate if all references to Department of State remain unchanged from the current law.

**Section 14. Infringement.** The section amends the language of § 495.131 in regard to the recovery of profits or damages.

Comments:

A. The current law provides that a registrant is not entitled to recover profits or damages under § 495.131(2) unless the infringing acts were committed with “knowledge that such mark is intended to be used to cause confusion . . .” Under the proposed law, the word “knowledge” is deleted, and the provision is reworded to provide that a registrant is not entitled to recover profits or damages under § 495.131(2) unless the infringing acts were committed with “the intent to cause confusion . . .” Since the original language mirrors federal law, 15 U.S.C. § 1114(1), the subcommittee questions whether it would be appropriate to amend the statute with inconsistent language.

B. The subcommittee notes that drafters the current statute appear to have intended to track the language of 15 U.S.C. § 1114(1)(b), but that the wording “on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive” has been left out. Thus, this amendment might have the unintended result of creating liability without regard to the presence of likelihood of confusion – the hallmark of infringement. The subcommittee suggests that consideration be given to amending the bills to track the language of 15 U.S.C. § 1114(1)(b).

**Section 15. Remedies.** This section amends § 495.141 by adding an attorney’s fee provision and by deleting the burden shifting provision on proof of damages, namely the provision stating that a plaintiff is only required to prove the defendant’s sales, and that the defendant must prove all elements of cost or deduction claimed, following 15 U.S.C. § 1117(a).

Comments:

A. Since the amendment would cause state law to be inconsistent with federal law on the burden shifting provision on damages, consideration should be given to allowing the present law to remain unchanged.

B. The amendment appears to codify federal law on the standard for awarding attorney’s fees to a prevailing plaintiff. However, there would still be uncertainty as to the standard for awarding fees to a prevailing defendant. Thus, consideration should be given to codifying the standard under which a prevailing defendant should be awarded its attorney’s fees.

**Section 16. Venue and service on out-of-state registrants.** This section creates a new provision in the statute, § 495.145, which specifies the venue for cancellation and mandamus actions.

Comments:

A. Proposed § 495.145(1) provides that cancellation and mandamus actions may be brought “in any court of competent jurisdiction.” As noted above, the Division of Corporations is concerned about the additional administrative burden this statutory provision could create. Consideration should be given to specifying that the venue for such actions be limited to Leon County.

B. Proposed § 495.145(2) provides that in an action against a nonresident registrant, service may be effected upon the secretary as agent for service upon the nonresident “in accordance with the procedures established for service upon nonresident corporations and business entities under § 48.081.” Presumably, the drafters of this provision intended to reference § 48.181, Fla. Stat.

(Section 48.081 specifies the method for effecting service on corporations generally. Section 48.181 specifies the manner for effecting service upon nonresidents who engage in business in this state.) Again, the Division of Corporations is concerned about the administrative burden this provision might impose. As such, the subcommittee suggests that consideration be given to amending the bills to simply provide that service upon a nonresident registrant be effected in accordance with § 48.181.

**Section 17. Injury to Business Reputation; Dilution.** This section substantially amends the dilution statute, § 495.151, bringing the provision in line with federal law, 15 U.S.C. § 1125(c).

Comments:

A. Although the present standard for liability under federal case law is now “actual dilution,” *see Mosely v. V. Secret Catalogue, Inc.*, 537 U.S. 418 (2003), the trademark bar favors a “likelihood of dilution” standard. Indeed, INTA itself gave testimony before a Congressional committee supporting such a change in the law.<sup>4</sup> As such, the subcommittee suggests that the sponsors of the bills consider amended the bills to reflect this preferred standard, i.e., that liability be imposed where the plaintiff can prove a *likelihood* of dilution, as opposed to being required to prove *actual* dilution.

B. The remedy provision of this section may be ambiguous. Specifically, § 495.151(2) provides that “the owner shall be entitled to the remedies set forth in this chapter.” The remedies for infringement are set forth in § 495.141, but are only available to “owner[s] of a mark registered under this chapter.” To avoid ambiguity, the subcommittee suggests consideration of a provision in the bills that would clarify that the remedies set forth in § 495.141 are available to a plaintiff suing under this section regardless of whether or not its mark is registered in Florida.

**Section 18. Common-law Rights.** This section only makes a technical amendment to the language of § 495.161.

Comments: None.

**Section 19. Fees.** This section creates § 495.165, which authorizes the secretary to prescribe reasonable fees for trademark services.

Comments:

As noted above, the Division of Corporations suggests that the trademark fees be set by statute rather than by rule.

**Section 20. Effective Date; Intent of chapter.** This section combines §§ 495.171 and 495.181, dealing with the effective date of the law and construction of the law.

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<sup>4</sup> See Testimony of Jacqueline A. Leimer, President, INTA, before the Subcomm. on Courts, the Internet and Intellectual Property Comm. on the Judiciary, United States House of Representatives, April 22, 2004, a copy of which is attached hereto as Exhibit “E.”

A. The subcommittee notes that the bills do not indicate that § 49.181 is to be deleted. This was presumably the intent of the drafters.

B. INTA's white paper suggests that the intent of this proposed law is to repeal prior acts "inconsistent herewith." This language does not appear in the bills. The subcommittee suggests that the legislature consider repealing any inconsistent law, such as §§ 506.06 – 506.13, Fla. Stat. (the only remaining provisions of Florida's Stamped or Marked Containers and Baskets Law). The other provisions of Chapter 506 were repealed under a bill entitled "An Act relating to the Florida Statutes; repealing various statutory provisions that have become obsolete, etc. Ch. 200-272 § 1 Laws of Fla. These statutes do not appear to have been cited since 1935.

**Section 21. Severability.** This section provides that if a provision of the act is held invalid, the invalidity would not affect the other provisions of the Act.

Comments: None.

**Section 22. Effective Date.** This section provides that the Act would take effect July 1, 2005.

Comments:

The Division of Corporations does not believe that it would be able to implement the changes contemplated by the proposed law until January 2006. Thus consideration should be given to postponing the effective date of the law if it is passed.

# **EXHIBIT A**

**S.B. 678**

By Senator Campbell

32-739-05

See HB

1                                   A bill to be entitled  
2           An act relating to trademarks; creating s.  
3           495.001, F.S.; providing a popular name;  
4           amending s. 495.011, F.S.; providing  
5           definitions; amending s. 495.021, F.S.;  
6           precluding registration of certain marks;  
7           amending s. 495.027, F.S.; conforming  
8           provisions; amending s. 495.031, F.S.;  
9           providing requirements for information to be  
10          contained in an application for registration of  
11          a mark; authorizing the Secretary of State to  
12          require certain information in an application;  
13          requiring the application to be signed and  
14          verified by oath; requiring the application to  
15          be accompanied by three specimens showing the  
16          mark; requiring the application to be  
17          accompanied by a fee; creating s. 495.035,  
18          F.S.; providing filing guidelines for  
19          applications; amending s. 495.061, F.S.;  
20          providing for the issuance of a certificate of  
21          registration by the secretary; amending s.  
22          495.071, F.S.; providing guidelines for the  
23          renewal of marks; providing duration of  
24          effectiveness for the mark; amending s.  
25          495.081, F.S.; providing for the assignability  
26          of marks; providing for change of name  
27          certificates for registrants; authorizing  
28          certain instruments to be recorded; providing  
29          acknowledgment of recording as prima facie  
30          evidence of the execution of an assignment or  
31          other instrument; authorizing a photocopy of

1 any instrument to be acceptable for recording;  
2 amending s. 495.091, F.S.; requiring the  
3 secretary to record all marks registered with  
4 the state; amending s. 495.101, F.S.; requiring  
5 the secretary to cancel certain marks; amending  
6 s. 495.111; F.S., requiring the secretary to  
7 establish a classification of goods and  
8 services; amending s. 495.121, F.S.; conforming  
9 provisions; amending s. 495.131, F.S.;  
10 conforming provisions; amending s. 495.141,  
11 F.S.; providing remedies for the unauthorized  
12 use of a mark; removing provisions regarding  
13 the assessment of plaintiff's profits; creating  
14 s. 495.145, F.S.; providing a forum for actions  
15 regarding registration; providing service on  
16 out-of-state residents; amending s. 495.151,  
17 F.S.; providing for an injunction in cases of  
18 dilution of a famous mark; providing factors to  
19 consider in determining a mark to be famous;  
20 providing damages in certain circumstances of  
21 dilution; amending s. 495.161, F.S.; deleting  
22 provisions relating to the diminishing of  
23 certain common-law rights; creating s. 495.165,  
24 F.S.; requiring the secretary to prescribe  
25 certain fees; amending s. 495.171, F.S.;  
26 providing application and legislative intent;  
27 providing for severability; providing an  
28 effective date.

29  
30 Be It Enacted by the Legislature of the State of Florida:  
31

1 Section 1. Section 495.001, Florida Statutes, is  
2 created to read:

3 495.001 Popular name.--This chapter may be cited as  
4 the "Registration and Protection of Trademarks Act."

5 Section 2. Section 495.011, Florida Statutes, is  
6 amended to read:

7 (Substantial rewording of section. See  
8 s. 495.011, F.S., for present text.)

9 495.011 Definitions.--As used in this chapter:

10 (1) "Abandoned" applies to a mark when either of the  
11 following occurs:

12 (a) When its use has been discontinued with intent not  
13 to resume such use. Intent not to resume use may be inferred  
14 from circumstances. Nonuse for 2 consecutive years shall  
15 constitute prima facie evidence of abandonment.

16 (b) When any course of conduct of the owner, including  
17 acts of either omission or commission, causes the mark to lose  
18 its significance as a mark.

19 (2) "Applicant" means the person filing an application  
20 for registration of a mark under this chapter and the legal  
21 representatives, successors, or assigns of such person.

22 (3) "Dilution" means the lessening of the capacity of  
23 a mark to identify and distinguish goods or services,  
24 regardless of the presence or absence of:

25 (a) Competition between the owner of the mark and  
26 other parties.

27 (b) Likelihood of confusion, mistake, or deception.

28 (4) "Mark" includes any trademark or service mark  
29 entitled to registration under this chapter whether or not  
30 registered.

31

1           (5) "Person," and any other word or term used to  
2 designate the applicant or other party entitled to a benefit  
3 or privilege or rendered liable under the provisions of this  
4 chapter, means a juristic person as well as a natural person.  
5 The term "juristic person" includes a firm, partnership,  
6 corporation, union, association, or other organization capable  
7 of suing and being sued in a court of law.

8           (6) "Registrant" means the person to whom the  
9 registration of a mark under this chapter is issued, and the  
10 legal representatives, successors, or assigns of such person.

11           (7) "Secretary" means the Secretary of State or the  
12 designee of the secretary charged with the administration of  
13 this chapter.

14           (8) "Service mark" means any word, name, symbol,  
15 device, or any combination thereof, used by a person to  
16 identify and distinguish the services of such person,  
17 including a unique service, from the services of others, and  
18 to indicate the source of the services, even if that source is  
19 unknown. Distinctive features of radio or television programs,  
20 including, but not limited to, titles and character names used  
21 by a person, may be registered as service marks  
22 notwithstanding that the person or the programs may advertise  
23 the goods of the sponsor.

24           (9) "Trademark" means any word, name, symbol, device,  
25 or any combination thereof, used by a person to identify and  
26 distinguish the goods of such person, including a unique  
27 product, from those manufactured or sold by others, and to  
28 indicate the source of the goods, even if that source is  
29 unknown.

30           (10) "Trade name" means any name used by a person to  
31 identify a business or vocation of such person.

1           (11) "Use" means the bona fide use of a mark in the  
2 ordinary course of trade, and does not include the use of a  
3 trademark or service mark merely for the purpose of reserving  
4 a right in the trademark or service mark. For the purposes of  
5 this chapter, a mark shall be deemed to be in use when it is  
6 placed on goods, their containers or the displays associated  
7 therewith, on the tags or labels affixed thereto, or, if the  
8 nature of the goods makes such placement impracticable, then  
9 on documents associated with the goods or their sale, and such  
10 goods are sold or transported in commerce in this state, and a  
11 service mark shall be deemed to be "used" when it is used or  
12 displayed in the sale or advertising of services and the  
13 services are rendered in this state.

14           Section 3. Section 495.021, Florida Statutes, is  
15 amended to read:

16           495.021 Registrability.--

17           ~~(1)~~ A mark by which the goods or services of any  
18 applicant for registration may be distinguished from the goods  
19 or services of others shall not be registered if it:

20           (1)(a) Consists of or, comprises ~~or includes~~ immoral,  
21 deceptive or scandalous matter; ~~or~~

22           (2)(b) Consists of or, comprises ~~or includes~~ matter  
23 which may disparage or falsely suggest a connection with  
24 persons, living or dead, institutions, beliefs, or national  
25 symbols, or bring them into contempt, or disrepute; ~~or~~

26           (3)(c) Consists of or, comprises ~~or includes~~ the flag  
27 or coat of arms or other insignia of the United States, or of  
28 any state or municipality, or of any foreign nation, or any  
29 simulation thereof; ~~or~~

30  
31

1           ~~(4)(d)~~ Consists of or ~~comprises or includes~~ the name,  
2 signature, or portrait of any living individual, except with  
3 her or his written consent; ~~or~~

4           ~~(5)(e)~~ Consists of a mark which:

5           ~~(a)1-~~ When used on or in connection with ~~applied to~~  
6 the goods or services of the applicant is merely descriptive  
7 or deceptively misdescriptive of them,

8           ~~(b)2-~~ When used on or in connection with ~~applied to~~  
9 the goods or services of the applicant is primarily  
10 geographically descriptive or deceptively misdescriptive of  
11 ~~them or their source or origin, or~~

12           ~~(c)3-~~ Is primarily merely a surname, provided,  
13 however, that nothing in this subsection ~~paragraph~~ shall  
14 prevent the registration of a mark used in this state by the  
15 applicant which has become distinctive of the applicant's  
16 goods or services ~~in this state or elsewhere.~~

17  
18 The secretary ~~Department of State~~ may accept as evidence that  
19 the mark has become distinctive, as used on or in connection  
20 with ~~applied to~~ the applicant's goods or services, proof of  
21 ~~substantially exclusive and~~ continuous use thereof as a mark  
22 by the applicant in this state or elsewhere for 5 years next  
23 preceding the date on which the claim of distinctiveness is  
24 made; or

25           ~~(6)(f)~~ Consists of or comprises a mark which so  
26 resembles a mark registered in this state or a mark or trade  
27 name previously used ~~in this state~~ by another and not  
28 abandoned, as to be likely, when used on or in connection with  
29 ~~applied to~~ the goods or services of the applicant, to cause  
30 confusion or mistake or to deceive. ~~Registration shall not be~~  
31 ~~denied solely on the basis of reservation or registration by~~

1 ~~another of a corporate name or fictitious name that is the~~  
2 ~~same or similar to the mark for which registration is sought.~~  
3 ~~(2) Subject to the provisions relating to the~~  
4 ~~registration of trademarks and service marks, so far as they~~  
5 ~~are applicable, collective and certification marks, including~~  
6 ~~indications of regional origin, shall be registrable under~~  
7 ~~this chapter, in the same manner and with the same effect as~~  
8 ~~are trademarks and service marks, by persons, and nations,~~  
9 ~~states, municipalities, and the like, exercising control over~~  
10 ~~the use of the marks sought to be registered, even though not~~  
11 ~~possessing an industrial or commercial establishment, and when~~  
12 ~~registered they shall be entitled to the protection provided~~  
13 ~~in this chapter in the case of trademarks and service marks.~~  
14 ~~The Department of State may establish a separate register for~~  
15 ~~such collective marks and certification marks.~~

16 Section 4. Subsection (3) of section 495.027, Florida  
17 Statutes, is amended to read:

18 495.027 Reservation.--

19 (3) Every request under this section shall be  
20 accompanied by a filing fee of \$50, payable to the Department  
21 of State, for each class of goods or services established  
22 pursuant to as specified in s. 495.111, in connection with  
23 which the mark is to be used.

24 Section 5. Section 495.031, Florida Statutes, is  
25 amended to read:

26 (Substantial rewording of section. See  
27 s. 495.031, F.S., for present text.)

28 495.031 Application for registration.--

29 (1) Subject to the limitations set forth in this  
30 chapter, any person who uses a mark may file in the office of  
31 the secretary, in a manner complying with the requirements of

1 the secretary, an application for registration of that mark,  
2 including, but not limited to, the following information:

3 (a) The name and business address of the person  
4 applying for such registration and, if a corporation, the  
5 state of incorporation or, if a partnership, the state in  
6 which the partnership is organized and the names of the  
7 general partners, as specified by the secretary.

8 (b) The goods or services on or in connection with  
9 which the mark is used and the mode or manner in which the  
10 mark is used on or in connection with such goods or services  
11 and the class in which such goods or services fall.

12 (c) The date when the mark was first used anywhere and  
13 the date when it was first used in this state by the applicant  
14 or a predecessor in interest.

15 (d) A statement that the applicant is the owner of the  
16 mark, that the mark is in use, and that, to the knowledge of  
17 the person verifying the application, no other person has  
18 registered, either federally or in this state, or has the  
19 right to use such mark either in the identical form thereof or  
20 in such near resemblance thereto as to be likely, when applied  
21 to the goods or services of such other person, to cause  
22 confusion, to cause mistake, or to deceive.

23 (2) The secretary may also require a statement as to  
24 whether an application to register the mark, or portions or a  
25 composite thereof, has been filed by the applicant or a  
26 predecessor in interest in the United States Patent and  
27 Trademark Office and, if so, the applicant shall provide full  
28 particulars with respect thereto, including the filing date  
29 and serial number of each application, the status thereof,  
30 and, if any application was finally refused registration or  
31

1 has otherwise not resulted in a registration, the reasons  
2 therefore.

3 (3) The secretary may also require that a drawing of  
4 the mark, complying with such requirements as the secretary  
5 may specify, accompany the application.

6 (4) The application shall be signed and verified by  
7 oath, affirmation, or declaration subject to perjury laws, by  
8 the applicant, a member of the firm, or an officer of the  
9 corporation or association applying.

10 (5) The application shall be accompanied by three  
11 specimens showing the mark as actually used.

12 (6) The application shall be accompanied by the  
13 application fee payable to the secretary.

14 Section 6. Section 495.035, Florida Statutes, is  
15 created to read:

16 495.035 Filing of applications.--

17 (1) Upon the filing of an application for registration  
18 and payment of the application fee, the secretary may cause  
19 the application to be examined for conformity with this  
20 chapter.

21 (2) The applicant shall provide any additional  
22 pertinent information requested by the secretary, including a  
23 description of a design mark and may make, or authorize the  
24 secretary to make, such amendments to the application as may  
25 be reasonably requested by the secretary or deemed by  
26 applicant to be advisable to respond to any rejection or  
27 objection.

28 (3) The secretary may require the applicant to  
29 disclaim an unregistrable component of a mark otherwise  
30 registrable, and an applicant may voluntarily disclaim a  
31 component of a mark sought to be registered. No disclaimer

1 shall prejudice or affect the applicant's or registrant's  
2 rights then existing or thereafter arising in the disclaimed  
3 matter, or the applicant's or registrant's rights of  
4 registration on another application if the disclaimed matter  
5 be or shall have become distinctive of the applicant's or  
6 registrant's goods or services.

7 (4) Amendments may be made by the secretary upon the  
8 application submitted by the applicant upon the applicant's  
9 agreement, or a new application may be required to be  
10 submitted.

11 (5) If the applicant is found not to be entitled to  
12 registration, the secretary shall advise the applicant of the  
13 rejection and of the reasons for rejection. The applicant  
14 shall have a reasonable period of time specified by the  
15 secretary in which to reply or to amend the application, in  
16 which event the application shall then be reexamined. This  
17 procedure may be repeated until:

18 (a) The secretary refuses registration of the mark; or

19 (b) The applicant fails to reply or amend the  
20 application within the specified time, whereupon the  
21 application shall be abandoned.

22 (6) If the secretary denies registration of the mark,  
23 the applicant may seek a writ of mandamus to compel such  
24 registration. Such writ may be granted, but without costs to  
25 the secretary, on proof that all the statements in the  
26 application are true and that the mark is otherwise entitled  
27 to registration.

28 (7) In the instance of multiple applications  
29 concurrently being processed by the secretary which seek  
30 registration of the same or confusingly similar marks for the  
31 same or related goods or services, the secretary shall grant

1 priority to the applications in order of filing. If a  
2 prior-filed application is granted a registration, the other  
3 application or applications shall then be rejected. Any  
4 rejected applicant may bring an action for cancellation of the  
5 registration upon grounds of prior or superior rights to the  
6 mark, in accordance with the provisions of s. 495.101.

7 Section 7. Section 495.061, Florida Statutes, is  
8 amended to read:

9 495.061 Certificate of registration.--

10 (1) Upon compliance by the applicant with the  
11 requirements of this chapter, the ~~secretary~~ ~~Department of~~  
12 ~~State~~ shall cause a certificate of registration to be issued  
13 and delivered to the applicant. The certificate of  
14 registration shall be issued under the signature of the  
15 secretary ~~of State~~ and the seal of the state, and it shall  
16 show the name and business address and, if a corporation or  
17 partnership, the state of incorporation or the state in which  
18 the partnership is organized and the names of the general  
19 partners, of the person claiming ownership of the mark in this  
20 state, the date claimed for the first use of the mark anywhere  
21 and the date claimed for the first use of the mark in this  
22 state, the class or classes of goods or services on which the  
23 mark is used, a reproduction of the mark, the registration  
24 date and the term of the registration.

25 (2) Any certificate of registration issued by the  
26 ~~secretary~~ ~~Department of~~ ~~State~~ under the provisions hereof or a  
27 copy thereof duly certified by the ~~secretary~~ ~~Department of~~  
28 ~~State~~ shall be admissible in evidence as competent and  
29 sufficient proof of the registration of such mark in any  
30 action or judicial proceedings in any court of this state, ~~and~~  
31 ~~shall be prima facie evidence of the validity of the~~

1 | ~~registration, registrant's ownership of the mark, and of~~  
2 | ~~registrant's exclusive right to use the mark in this state in~~  
3 | ~~connection with the goods or services specified in the~~  
4 | ~~certificate, subject to any conditions and limitations stated~~  
5 | ~~therein.~~

6 |       ~~(3) Contingent on the registration of a mark under~~  
7 | ~~this chapter, the reservation of such mark based on intent to~~  
8 | ~~use, as provided in this chapter, shall be prima facie~~  
9 | ~~evidence of priority of ownership of such mark within this~~  
10 | ~~state on or in connection with the goods or services specified~~  
11 | ~~in the reservation against any other person, except for a~~  
12 | ~~person whose mark has not been abandoned and who, prior to~~  
13 | ~~such reservation, has used the mark within this state on or in~~  
14 | ~~connection with such goods or services.~~

15 |       Section 8. Section 495.071, Florida Statutes, is  
16 | amended to read:

17 |       495.071 Duration and renewal.--

18 |       (1) Registration of a mark hereunder shall be  
19 | effective for a term of 5 ~~10~~ years from the date of  
20 | registration and, upon application filed within 6 months prior  
21 | to the expiration of such term, in a manner complying with the  
22 | requirements of the secretary ~~on a form to be furnished by the~~  
23 | ~~Department of State~~, the registration may be renewed for a  
24 | like term beginning at the end of the previous term. A renewal  
25 | fee of ~~\$87.50~~ for each class of goods or services with respect  
26 | ~~to which such renewal is sought~~, payable to the secretary  
27 | ~~Department of State~~, shall accompany the application for  
28 | renewal of the registration.

29 |       (2) A ~~mark~~ registration may be renewed for successive  
30 | periods of 5 ~~10~~ years in like manner.

31 |

1           (3) Any registration in effect on the date on which  
2 this section becomes law shall continue in effect for the  
3 unexpired term thereof and may be renewed by filing an  
4 application for renewal with the secretary complying with the  
5 requirements of the secretary and paying the renewal fee  
6 therefor within 6 months prior to the expiration of the  
7 registration ~~The Department of State shall notify registrants~~  
8 ~~of marks hereunder of the necessity of renewal within the year~~  
9 ~~next preceding the expiration of the 10 years from the date of~~  
10 ~~registration by writing to the last known address of the~~  
11 ~~registrants. The department shall prescribe the forms on which~~  
12 ~~to make the required notification and the renewal called for~~  
13 ~~in subsection (1) and may substitute the uniform business~~  
14 ~~report, pursuant to s. 606.06, as a means of satisfying the~~  
15 ~~requirement of this part.~~

16           (4) All applications for renewals under this chapter  
17 whether of registrations made under this act or of  
18 registrations effected under any prior act, shall include a  
19 statement that the mark has been and is still in use and  
20 include a specimen showing actual use of the mark on or in  
21 connection with the goods or services in this state, or that  
22 ~~its nonuse is due to special circumstances which excuse such~~  
23 ~~nonuse and is not due to any intention to abandon the mark.~~

24           Section 9. Section 495.081, Florida Statutes, is  
25 amended to read:

26           495.081 Assignments; changes of name; other  
27 instruments ~~Assignment.--~~

28           (1) Any mark and its registration hereunder shall be  
29 assignable with the good will of the business in which the  
30 mark is used or with that part of the good will of the  
31 business connected with the use of and symbolized by the mark.

1 Assignment shall be by instruments in writing duly executed  
2 and may be recorded with the ~~secretary~~ Department of State  
3 upon the payment of a recording fee ~~of \$50~~, payable to the  
4 secretary ~~who~~ Department of State ~~which~~, upon recording of the  
5 assignment, shall issue in the name of the assignee a new  
6 certificate for the remainder of the term of the registration  
7 or of the last renewal thereof. An assignment of any  
8 registration under this chapter shall be void as against any  
9 subsequent purchaser for valuable consideration without  
10 notice, unless such assignment is recorded with the secretary  
11 ~~Department of State~~ within 3 months after the date thereof or  
12 prior to subsequent purchase ~~at any time after the expiration~~  
13 ~~of such 3 month period, unless an assignment given in~~  
14 ~~connection with any subsequent purchase is recorded with the~~  
15 ~~Department of State prior to or within 10 days after such~~  
16 ~~assignment is recorded.~~

17 (2) Any registrant or applicant effecting a change of  
18 the name of the person to whom the mark was issued or for whom  
19 an application was filed may record a certificate of change of  
20 name of the registrant or applicant with the secretary upon  
21 the payment of the recording fee. The secretary may issue in  
22 the name of the assignee a certificate of registration of an  
23 assigned application. The secretary may issue in the name of  
24 the assignee a new certificate or registration for the  
25 remainder of the term of the registration or last renewal  
26 thereof.

27 (3) Other instruments, such as licenses, security  
28 interests, or mortgages which relate to a mark registered or  
29 application pending pursuant to this chapter, may be recorded  
30 in the discretion of the secretary, provided that such  
31 instrument is in writing and duly executed.

1           (4) Acknowledgement shall be prima facie evidence of  
2 the execution of an assignment or other instrument and, when  
3 recorded by the secretary, the record shall be prima facie  
4 evidence of execution.

5           (5) A photocopy of any instrument referred to in this  
6 subsection shall be accepted for recording if it is certified  
7 to be a true and correct copy of the original by any of the  
8 parties thereto, or their successors.

9           Section 10. Section 495.091, Florida Statutes, is  
10 amended to read:

11           495.091 Records.--The ~~secretary~~ ~~Department of State~~  
12 shall keep for public examination a record of all marks  
13 registered or renewed under this chapter, as well as a record  
14 of all documents recorded pursuant to s. 495.081.

15           Section 11. Section 495.101, Florida Statutes, is  
16 amended to read:

17           (Substantial rewording of section. See  
18 s. 495.101, F.S., for present text.)

19           495.101 Cancellation.--The secretary shall cancel from  
20 the register:

21           (1) Any registration voluntarily requested to be  
22 canceled by the registrant or the assignee of record.

23           (2) All registrations granted under this chapter and  
24 not renewed in accordance with the provisions hereof.

25           (3) Any registration which a court of competent  
26 jurisdiction finds that:

27           (a) The registered mark has been abandoned.

28           (b) The registrant is not the owner of the mark.

29           (c) The registration was granted improperly.

30           (d) The registration was obtained fraudulently.

31

1       (e) The mark is or has become the generic name for the  
2 goods or services, or a portion thereof, for which it has been  
3 registered.

4       (f) The registered mark is so similar, as to be likely  
5 to cause confusion or mistake or to deceive, to a mark  
6 registered by another person in the United States Patent and  
7 Trademark Office, prior to the date of the filing of the  
8 application for registration by the registrant hereunder, and  
9 not abandoned; however, should the registrant prove that the  
10 registrant is the owner of a concurrent registration of a mark  
11 in the United States Patent and Trademark Office covering an  
12 area including this state, the registration hereunder shall  
13 not be canceled.

14       (4) Any registration which a court of competent  
15 jurisdiction orders canceled on any ground.

16       Section 12. Section 495.111, Florida Statutes, is  
17 amended to read:

18       (Substantial rewording of section. See  
19 s. 495.111, F.S., for present text.)

20       495.111 Classification.--The secretary shall establish  
21 a classification of goods and services for convenience of  
22 administration of this chapter, but shall not limit or extend  
23 the applicant's or registrant's rights. A single application  
24 for registration of a mark may include any or all goods upon  
25 which, or services with which, the mark is actually being used  
26 indicating the appropriate class or classes of goods or  
27 services. When a single application includes goods or services  
28 that fall within multiple classes, the secretary may require  
29 payment of a fee for each class. To the extent practicable,  
30 the classification of goods and services should conform to the

31

1 classification adopted by the United States Patent and  
2 Trademark Office.

3 Section 13. Section 495.121, Florida Statutes, is  
4 amended to read:

5 495.121 Fraudulent registration.--Any person who shall  
6 for herself or himself, or on behalf of any other person,  
7 procure the filing or registration of any mark with the  
8 secretary ~~Department of State~~ under the provisions hereof, by  
9 knowingly making any false or fraudulent representation or  
10 declaration, verbally or in writing, or by any other  
11 fraudulent means, shall be liable to pay all damages sustained  
12 in consequence of such filing or registration, and for  
13 punitive or exemplary damages, to be recovered by or on behalf  
14 of the party injured thereby in any court of competent  
15 jurisdiction.

16 Section 14. Section 495.131, Florida Statutes, is  
17 amended to read:

18 495.131 Infringement.--Subject to the provisions of s.  
19 495.161, any person who shall:

20 (1) Use, without the consent of the registrant, any  
21 reproduction, counterfeit, copy, or colorable imitation of a  
22 mark registered under this chapter ~~on any goods or in~~  
23 connection with the sale, offering for sale, distribution or  
24 advertising of any goods or services on or in connection with  
25 which such use is likely to cause confusion or mistake or to  
26 deceive as to the source or origin of such goods or services;  
27 or

28 (2) Reproduce, counterfeit, copy or colorably imitate  
29 any such mark and apply such reproduction, counterfeit, copy  
30 or colorable imitation to labels, signs, prints, packages,  
31 wrappers, receptacles or advertisements intended to be used

1 upon or in conjunction with the sale ~~or other, offering for~~  
2 ~~sale,~~ distribution ~~or advertising~~ in this state of goods or  
3 services;

4  
5 shall be liable in a civil action by the owner of such  
6 registered mark for any or all of the remedies provided in s.  
7 495.141, except that under subsection (2) hereof the  
8 registrant shall not be entitled to recover profits or damages  
9 unless the acts have been committed with the intent ~~knowledge~~  
10 ~~that such mark is intended to be used~~ to cause confusion or  
11 mistake or to deceive.

12 Section 15. Section 495.141, Florida Statutes, is  
13 amended to read:

14 495.141 Remedies.--

15 ~~(1)~~ Any owner of a mark registered under this chapter  
16 may proceed by suit to enjoin the manufacture, use, display,  
17 or sale of any counterfeits or imitations thereof and any  
18 court of competent jurisdiction may grant injunctions to  
19 restrain such manufacture, use, display or sale as may be by  
20 the said court deemed just and reasonable, and may require the  
21 defendants to pay to such owner all profits derived from  
22 and/or all damages suffered by reason of such wrongful  
23 manufacture, use, display, or sale ~~and to pay the costs of the~~  
24 ~~action,~~ and such court may also order that any such  
25 counterfeits or imitations in the possession or under the  
26 control of any defendant in such case be delivered to an  
27 officer of the court, or to the complainant, to be destroyed.  
28 The court, in its discretion, may enter judgment for an amount  
29 not to exceed three times such profits and damages and  
30 reasonable attorney's fees of the prevailing party in such  
31 cases where the court finds the other party committed the

1 ~~wrongful acts with knowledge, in bad faith, or otherwise as~~  
2 ~~according to the circumstances of the case. The enumeration of~~  
3 ~~any right or remedy herein shall not affect a registrant's~~  
4 ~~right to prosecute under any penal law of this state in~~  
5 ~~assessing profits the plaintiff shall be required to prove~~  
6 ~~defendant's sales only; defendant must prove all elements of~~  
7 ~~cost or deduction claimed. In assessing damages the court may~~  
8 ~~enter judgment, according to the circumstances of the case,~~  
9 ~~for any sum above the amount found as actual damages, not~~  
10 ~~exceeding 3 times such amount. If the court shall find that~~  
11 ~~the amount of the recovery based on profits is either~~  
12 ~~inadequate or excessive the court may in its discretion enter~~  
13 ~~judgment for such sum as the court shall find to be just,~~  
14 ~~according to the circumstances of the case. Such sum in either~~  
15 ~~of the above circumstances shall constitute compensation and~~  
16 ~~not a penalty.~~

17 ~~(2) The enumeration of any right or remedy herein~~  
18 ~~shall not affect a registrant's right to prosecute under any~~  
19 ~~penal law of this state.~~

20 Section 16. Section 495.145, Florida Statutes, is  
21 created to read:

22 495.145 Forum for actions regarding registration;  
23 service on out-of-state registrants.--

24 (1) Actions to require cancellation of a mark  
25 registered pursuant to this chapter, or in mandamus, to compel  
26 registration of a mark pursuant to this chapter shall be  
27 brought in any court of competent jurisdiction. In an action  
28 in mandamus, the proceeding shall be based solely upon the  
29 record before the secretary. In an action for cancellation,  
30 the secretary shall not be made a party to the proceeding but  
31 shall be notified of the filing of the complaint by the clerk

1 of the court in which it is filed and shall be given the right  
2 to intervene in the action.

3 (2) In any action brought against a nonresident  
4 registrant, service may be effected upon the secretary as  
5 agent for service of the registrant in accordance with the  
6 procedures established for service upon nonresident  
7 corporations and business entities under s. 48.081.

8 Section 17. Section 495.151, Florida Statutes, is  
9 amended to read:

10 (Substantial rewording of section. See  
11 s. 495.151, F.S., for present text.)

12 495.151 Injury to business reputation; dilution.--

13 (1) The owner of a mark that is famous in this state  
14 shall be entitled, subject to the principles of equity and  
15 upon such terms as the court deems reasonable, to an  
16 injunction, and to obtain such other relief against another  
17 person's commercial use of a mark or trade name, if such use  
18 begins after the mark has become famous and causes dilution of  
19 the distinctive quality of the mark, as is provided in this  
20 section. In determining whether a mark is distinctive and  
21 famous, a court may consider factors, including, but not  
22 limited to:

23 (a) The degree of inherent or acquired distinctiveness  
24 of the mark in this state.

25 (b) The duration and extent of use of the mark in  
26 connection with the goods and services with which the mark is  
27 used.

28 (c) The duration and extent of advertising and  
29 publicity of the mark in this state.

30 (d) The geographical extent of the trading area in  
31 which the mark is used.

1       (e) The channels of trade for the goods or services  
2 with which the mark is used.

3       (f) The degree of recognition of the mark in the  
4 trading areas and channels of trade in this state used by the  
5 mark's owner and the person against whom the injunction is  
6 sought.

7       (g) The nature and extent of use of the same or  
8 similar mark by third parties.

9       (h) Whether the mark is the subject of a state  
10 registration in this state, or a federal registration under  
11 the federal Act of March 3, 1881, or the federal Act of  
12 February 20, 1905, or on the principal register.

13       (2) In an action brought under this section, the owner  
14 of a famous mark shall be entitled only to injunctive relief  
15 in this state, unless the person against whom the injunctive  
16 relief is sought willfully intended to trade on the owner's  
17 reputation or to cause dilution of the famous mark. If such  
18 willful intent is proven, the owner shall also be entitled to  
19 the remedies set forth in this chapter, subject to the  
20 discretion of the court and the principles of equity. The  
21 following shall not be actionable under this section:

22       (a) Fair use of a famous mark by another person in  
23 comparative commercial advertising or promotion to identify  
24 the competing goods or services of the owner of the famous  
25 mark.

26       (b) Noncommercial use of the mark.

27       (c) All forms of news reporting and news commentary.

28       Section 18. Section 495.161, Florida Statutes, is  
29 amended to read:

30       495.161 Common-law rights.--Nothing herein shall  
31 adversely affect ~~or diminish~~ the rights or the enforcement of

1 | rights in marks acquired in good faith at any time at common  
2 | law.

3 |       Section 19. Section 495.165, Florida Statutes, is  
4 | created to read:

5 |       495.165 Fees.--The secretary shall prescribe  
6 | reasonable fees payable for the various applications and  
7 | recording fees and for related services. Unless specified by  
8 | the secretary, the fees payable herein are not refundable.

9 |       Section 20. Section 495.171, Florida Statutes, is  
10 | amended to read:

11 |       (Substantial rewording of section. See  
12 | s. 495.171, F.S., for present text.)

13 |       495.171 Effective date; intent of chapter.--

14 |       (1) This section shall be in force and take effect  
15 | after its becoming a law but shall not affect any suit,  
16 | proceeding, or appeal then pending.

17 |       (2) The intent of this chapter is to provide a system  
18 | of state trademark registration and protection substantially  
19 | consistent with the federal system of trademark registration  
20 | and protection under the Trademark Act of 1946, as amended. To  
21 | that end, the construction given the federal act should be  
22 | examined as persuasive authority for interpreting and  
23 | construing this chapter.

24 |       Section 21. If any provision of this act or the  
25 | application thereof to any person or circumstance is held  
26 | invalid, the invalidity shall not affect other provisions or  
27 | applications of the act which can be given effect without the  
28 | invalid provision or application, and to this end the  
29 | provisions of this act are declared severable.

30 |       Section 22. This act shall take effect July 1, 2005.

31 |

# **EXHIBIT B**

## **H.B. 845**

1                                   A bill to be entitled  
2           An act relating to trademarks; creating s. 495.001, F.S.;  
3           providing a popular name; amending s. 495.011, F.S.;  
4           providing definitions; amending s. 495.021, F.S.;  
5           precluding registration of certain marks; amending s.  
6           495.027, F.S.; conforming provisions; amending s. 495.031,  
7           F.S.; providing requirements for information to be  
8           contained in an application for registration of a mark;  
9           authorizing the Secretary of State to require certain  
10          information in an application; requiring the application  
11          to be signed and verified by oath; requiring the  
12          application to be accompanied by three specimens showing  
13          the mark; requiring the application to be accompanied by a  
14          fee; creating s. 495.035, F.S.; providing filing  
15          guidelines for applications; amending s. 495.061, F.S.;  
16          providing for the issuance of a certificate of  
17          registration by the secretary; amending s. 495.071, F.S.;  
18          providing guidelines for the renewal of marks; providing  
19          duration of effectiveness for the mark; amending s.  
20          495.081, F.S.; providing for the assignability of marks;  
21          providing for change of name certificates for registrants;  
22          authorizing certain instruments to be recorded; providing  
23          acknowledgment of recording as prima facie evidence of the  
24          execution of an assignment or other instrument;  
25          authorizing a photocopy of any instrument to be acceptable  
26          for recording; amending s. 495.091, F.S.; requiring the  
27          secretary to record all marks registered with the state;  
28          amending s. 495.101, F.S.; requiring the secretary to

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29 cancel certain marks; amending s. 495.111; F.S., requiring  
 30 the secretary to establish a classification of goods and  
 31 services; amending s. 495.121, F.S.; conforming language;  
 32 amending s. 495.131, F.S.; conforming language; amending  
 33 s. 495.141, F.S.; providing remedies for the unauthorized  
 34 use of a mark; removing language regarding the assessment  
 35 of plaintiff's profits; creating s. 495.145, F.S.;  
 36 providing a forum for actions regarding registration;  
 37 providing service on out-of-state residents; amending s.  
 38 495.151, F.S.; providing for an injunction in cases of  
 39 dilution of a famous mark; providing factors to consider  
 40 in determining a mark to be famous; providing damages in  
 41 certain circumstances of dilution; amending s. 495.161,  
 42 F.S.; deleting language relating to the diminishing of  
 43 certain common law rights; creating s. 495.165, F.S.;  
 44 requiring the secretary to prescribe certain fees;  
 45 amending s. 495.171, F.S.; providing application and  
 46 legislative intent; providing for severability; providing  
 47 an effective date.

48

49 Be It Enacted by the Legislature of the State of Florida:

50

51 Section 1. Section 495.001, Florida Statutes, is created  
 52 to read:

53 495.001 Popular name.--This chapter may be cited as the  
 54 "Registration and Protection of Trademarks Act."

55 Section 2. Section 495.011, Florida Statutes, is amended  
 56 to read:

57 (Substantial rewording of section. See  
 58 s. 495.011, F.S., for present text.)

59 495.011 Definitions.--As used in this chapter:

60 (1) "Abandoned" applies to a mark when either of the  
 61 following occurs:

62 (a) When its use has been discontinued with intent not to  
 63 resume such use. Intent not to resume use may be inferred from  
 64 circumstances. Nonuse for 2 consecutive years shall constitute  
 65 prima facie evidence of abandonment.

66 (b) When any course of conduct of the owner, including  
 67 acts of either omission or commission, causes the mark to lose  
 68 its significance as a mark.

69 (2) "Applicant" means the person filing an application for  
 70 registration of a mark under this chapter and the legal  
 71 representatives, successors, or assigns of such person.

72 (3) "Dilution" means the lessening of the capacity of a  
 73 mark to identify and distinguish goods or services, regardless  
 74 of the presence or absence of:

75 (a) Competition between the owner of the mark and other  
 76 parties.

77 (b) Likelihood of confusion, mistake, or deception.

78 (4) "Mark" includes any trademark or service mark entitled  
 79 to registration under this chapter whether or not registered.

80 (5) "Person," and any other word or term used to designate  
 81 the applicant or other party entitled to a benefit or privilege  
 82 or rendered liable under the provisions of this chapter, means a  
 83 juristic person as well as a natural person. The term "juristic  
 84 person" includes a firm, partnership, corporation, union,

85 association, or other organization capable of suing and being  
 86 sued in a court of law.

87 (6) "Registrant" means the person to whom the registration  
 88 of a mark under this chapter is issued, and the legal  
 89 representatives, successors, or assigns of such person.

90 (7) "Secretary" means the Secretary of State or the  
 91 designee of the secretary charged with the administration of  
 92 this chapter.

93 (8) "Service mark" means any word, name, symbol, device,  
 94 or any combination thereof, used by a person to identify and  
 95 distinguish the services of such person, including a unique  
 96 service, from the services of others, and to indicate the source  
 97 of the services, even if that source is unknown. Distinctive  
 98 features of radio or television programs, including, but not  
 99 limited to, titles and character names used by a person, may be  
 100 registered as service marks notwithstanding that the person or  
 101 the programs may advertise the goods of the sponsor.

102 (9) "Trademark" means any word, name, symbol, device, or  
 103 any combination thereof, used by a person to identify and  
 104 distinguish the goods of such person, including a unique  
 105 product, from those manufactured or sold by others, and to  
 106 indicate the source of the goods, even if that source is  
 107 unknown.

108 (10) "Trade name" means any name used by a person to  
 109 identify a business or vocation of such person.

110 (11) "Use" means the bona fide use of a mark in the  
 111 ordinary course of trade, and does not include the use of a  
 112 trademark or service mark merely for the purpose of reserving a

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113 right in the trademark or service mark. For the purposes of this  
 114 chapter, a mark shall be deemed to be in use when it is placed  
 115 on goods, their containers or the displays associated therewith,  
 116 on the tags or labels affixed thereto, or, if the nature of the  
 117 goods makes such placement impracticable, then on documents  
 118 associated with the goods or their sale, and such goods are sold  
 119 or transported in commerce in this state, and a service mark  
 120 shall be deemed to be "used" when it is used or displayed in the  
 121 sale or advertising of services and the services are rendered in  
 122 this state.

123 Section 3. Section 495.021, Florida Statutes, is amended  
 124 to read:

125 495.021 Registrability.--

126 ~~(1)~~ A mark by which the goods or services of any applicant  
 127 for registration may be distinguished from the goods or services  
 128 of others shall not be registered if it:

129 (1)(a) Consists of or, comprises ~~or includes~~ immoral,  
 130 deceptive or scandalous matter; ~~or~~

131 (2)(b) Consists of or, comprises ~~or includes~~ matter which  
 132 may disparage or falsely suggest a connection with persons,  
 133 living or dead, institutions, beliefs, or national symbols, or  
 134 bring them into contempt, or disrepute; ~~or~~

135 (3)(c) Consists of or, comprises ~~or includes~~ the flag or  
 136 coat of arms or other insignia of the United States, or of any  
 137 state or municipality, or of any foreign nation, or any  
 138 simulation thereof; ~~or~~

139            ~~(4)(d)~~ Consists of or, ~~comprises or includes~~ the name,  
 140 signature, or portrait of any living individual, except with her  
 141 or his written consent; ~~or~~

142            ~~(5)(e)~~ Consists of a mark which:

143            ~~(a)1-~~ When used on or in connection with ~~applied to~~ the  
 144 goods or services of the applicant is merely descriptive or  
 145 deceptively misdescriptive of them,

146            ~~(b)2-~~ When used on or in connection with ~~applied to~~ the  
 147 goods or services of the applicant is primarily geographically  
 148 descriptive or deceptively misdescriptive of ~~them or their~~  
 149 ~~source or origin~~, or

150            ~~(c)3-~~ Is primarily merely a surname, provided, however,  
 151 that nothing in this subsection ~~paragraph~~ shall prevent the  
 152 registration of a mark used in this state by the applicant which  
 153 has become distinctive of the applicant's goods or services ~~in~~  
 154 ~~this state or elsewhere~~.

155

156 The secretary ~~Department of State~~ may accept as evidence that  
 157 the mark has become distinctive, as used on or in connection  
 158 with ~~applied to~~ the applicant's goods or services, proof of  
 159 ~~substantially exclusive and~~ continuous use thereof as a mark by  
 160 the applicant in this state or elsewhere for 5 years next  
 161 preceding the date on which the claim of distinctiveness is  
 162 made; or

163            ~~(6)(f)~~ Consists of or comprises a mark which so resembles  
 164 a mark registered in this state or a mark or trade name  
 165 previously used ~~in this state~~ by another and not abandoned, as  
 166 to be likely, when used on or in connection with ~~applied to~~ the

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167 goods or services of the applicant, to cause confusion or  
 168 mistake or to deceive. ~~Registration shall not be denied solely~~  
 169 ~~on the basis of reservation or registration by another of a~~  
 170 ~~corporate name or fictitious name that is the same or similar to~~  
 171 ~~the mark for which registration is sought.~~

172 ~~(2) Subject to the provisions relating to the registration~~  
 173 ~~of trademarks and service marks, so far as they are applicable,~~  
 174 ~~collective and certification marks, including indications of~~  
 175 ~~regional origin, shall be registrable under this chapter, in the~~  
 176 ~~same manner and with the same effect as are trademarks and~~  
 177 ~~service marks, by persons, and nations, states, municipalities,~~  
 178 ~~and the like, exercising control over the use of the marks~~  
 179 ~~sought to be registered, even though not possessing an~~  
 180 ~~industrial or commercial establishment, and when registered they~~  
 181 ~~shall be entitled to the protection provided in this chapter in~~  
 182 ~~the case of trademarks and service marks. The Department of~~  
 183 ~~State may establish a separate register for such collective~~  
 184 ~~marks and certification marks.~~

185 Section 4. Subsection (3) of section 495.027, Florida  
 186 Statutes, is amended to read:

187 495.027 Reservation.--

188 (3) Every request under this section shall be accompanied  
 189 by a filing fee of \$50, payable to the Department of State, for  
 190 each class of goods or services established pursuant to ~~as~~  
 191 ~~specified in~~ s. 495.111, in connection with which the mark is to  
 192 be used.

193 Section 5. Section 495.031, Florida Statutes, is amended  
 194 to read:

195 (Substantial rewording of section. See  
 196 s. 495.031, F.S., for present text.)  
 197 495.031 Application for registration.--  
 198 (1) Subject to the limitations set forth in this chapter,  
 199 any person who uses a mark may file in the office of the  
 200 secretary, in a manner complying with the requirements of the  
 201 secretary, an application for registration of that mark,  
 202 including, but not limited to, the following information:  
 203 (a) The name and business address of the person applying  
 204 for such registration and, if a corporation, the state of  
 205 incorporation or, if a partnership, the state in which the  
 206 partnership is organized and the names of the general partners,  
 207 as specified by the secretary.  
 208 (b) The goods or services on or in connection with which  
 209 the mark is used and the mode or manner in which the mark is  
 210 used on or in connection with such goods or services and the  
 211 class in which such goods or services fall.  
 212 (c) The date when the mark was first used anywhere and the  
 213 date when it was first used in this state by the applicant or a  
 214 predecessor in interest.  
 215 (d) A statement that the applicant is the owner of the  
 216 mark, that the mark is in use, and that, to the knowledge of the  
 217 person verifying the application, no other person has  
 218 registered, either federally or in this state, or has the right  
 219 to use such mark either in the identical form thereof or in such  
 220 near resemblance thereto as to be likely, when applied to the  
 221 goods or services of such other person, to cause confusion, to  
 222 cause mistake, or to deceive.

223       (2) The secretary may also require a statement as to  
 224 whether an application to register the mark, or portions or a  
 225 composite thereof, has been filed by the applicant or a  
 226 predecessor in interest in the United States Patent and  
 227 Trademark Office and, if so, the applicant shall provide full  
 228 particulars with respect thereto, including the filing date and  
 229 serial number of each application, the status thereof, and, if  
 230 any application was finally refused registration or has  
 231 otherwise not resulted in a registration, the reasons therefore.

232       (3) The secretary may also require that a drawing of the  
 233 mark, complying with such requirements as the secretary may  
 234 specify, accompany the application.

235       (4) The application shall be signed and verified by oath,  
 236 affirmation, or declaration subject to perjury laws, by the  
 237 applicant, a member of the firm, or an officer of the  
 238 corporation or association applying.

239       (5) The application shall be accompanied by three  
 240 specimens showing the mark as actually used.

241       (6) The application shall be accompanied by the  
 242 application fee payable to the secretary.

243       Section 6. Section 495.035, Florida Statutes, is created  
 244 to read:

245       495.035 Filing of applications.--

246       (1) Upon the filing of an application for registration and  
 247 payment of the application fee, the secretary may cause the  
 248 application to be examined for conformity with this chapter.

249       (2) The applicant shall provide any additional pertinent  
 250 information requested by the secretary, including a description

251 of a design mark and may make, or authorize the secretary to  
 252 make, such amendments to the application as may be reasonably  
 253 requested by the secretary or deemed by applicant to be  
 254 advisable to respond to any rejection or objection.

255 (3) The secretary may require the applicant to disclaim an  
 256 unregistrable component of a mark otherwise registrable, and an  
 257 applicant may voluntarily disclaim a component of a mark sought  
 258 to be registered. No disclaimer shall prejudice or affect the  
 259 applicant's or registrant's rights then existing or thereafter  
 260 arising in the disclaimed matter, or the applicant's or  
 261 registrant's rights of registration on another application if  
 262 the disclaimed matter be or shall have become distinctive of the  
 263 applicant's or registrant's goods or services.

264 (4) Amendments may be made by the secretary upon the  
 265 application submitted by the applicant upon the applicant's  
 266 agreement, or a new application may be required to be submitted.

267 (5) If the applicant is found not to be entitled to  
 268 registration, the secretary shall advise the applicant of the  
 269 rejection and of the reasons for rejection. The applicant shall  
 270 have a reasonable period of time specified by the secretary in  
 271 which to reply or to amend the application, in which event the  
 272 application shall then be reexamined. This procedure may be  
 273 repeated until:

274 (a) The secretary refuses registration of the mark; or

275 (b) The applicant fails to reply or amend the application  
 276 within the specified time, whereupon the application shall be  
 277 abandoned.

278 (6) If the secretary denies registration of the mark, the

279 applicant may seek a writ of mandamus to compel such  
 280 registration. Such writ may be granted, but without costs to the  
 281 secretary, on proof that all the statements in the application  
 282 are true and that the mark is otherwise entitled to  
 283 registration.

284 (7) In the instance of multiple applications concurrently  
 285 being processed by the secretary which seek registration of the  
 286 same or confusingly similar marks for the same or related goods  
 287 or services, the secretary shall grant priority to the  
 288 applications in order of filing. If a prior-filed application is  
 289 granted a registration, the other application or applications  
 290 shall then be rejected. Any rejected applicant may bring an  
 291 action for cancellation of the registration upon grounds of  
 292 prior or superior rights to the mark, in accordance with the  
 293 provisions of s. 495.101.

294 Section 7. Section 495.061, Florida Statutes, is amended  
 295 to read:

296 495.061 Certificate of registration.--

297 (1) Upon compliance by the applicant with the requirements  
 298 of this chapter, the secretary ~~Department of State~~ shall cause a  
 299 certificate of registration to be issued and delivered to the  
 300 applicant. The certificate of registration shall be issued under  
 301 the signature of the secretary ~~of State~~ and the seal of the  
 302 state, and it shall show the name and business address and, if a  
 303 corporation or partnership, the state of incorporation or the  
 304 state in which the partnership is organized and the names of the  
 305 general partners, of the person claiming ownership of the mark  
 306 in this state, the date claimed for the first use of the mark

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307 anywhere and the date claimed for the first use of the mark in  
 308 this state, the class or classes of goods or services on which  
 309 the mark is used, a reproduction of the mark, the registration  
 310 date and the term of the registration.

311 (2) Any certificate of registration issued by the  
 312 secretary ~~Department of State~~ under the provisions hereof or a  
 313 copy thereof duly certified by the secretary ~~Department of State~~  
 314 shall be admissible in evidence as competent and sufficient  
 315 proof of the registration of such mark in any action or judicial  
 316 proceedings in any court of this state, ~~and shall be prima facie~~  
 317 ~~evidence of the validity of the registration, registrant's~~  
 318 ~~ownership of the mark, and of registrant's exclusive right to~~  
 319 ~~use the mark in this state in connection with the goods or~~  
 320 ~~services specified in the certificate, subject to any conditions~~  
 321 ~~and limitations stated therein.~~

322 ~~(3) Contingent on the registration of a mark under this~~  
 323 ~~chapter, the reservation of such mark based on intent to use, as~~  
 324 ~~provided in this chapter, shall be prima facie evidence of~~  
 325 ~~priority of ownership of such mark within this state on or in~~  
 326 ~~connection with the goods or services specified in the~~  
 327 ~~reservation against any other person, except for a person whose~~  
 328 ~~mark has not been abandoned and who, prior to such reservation,~~  
 329 ~~has used the mark within this state on or in connection with~~  
 330 ~~such goods or services.~~

331 Section 8. Section 495.071, Florida Statutes, is amended  
 332 to read:

333 495.071 Duration and renewal.--

334 (1) Registration of a mark hereunder shall be effective  
 335 for a term of 5 ~~10~~ years from the date of registration and, upon  
 336 application filed within 6 months prior to the expiration of  
 337 such term, in a manner complying with the requirements of the  
 338 secretary on a form to be furnished by the Department of State,  
 339 the registration may be renewed for a like term beginning at the  
 340 end of the previous term. A renewal fee ~~of \$87.50 for each class~~  
 341 ~~of goods or services with respect to which such renewal is~~  
 342 ~~sought,~~ payable to the secretary ~~Department of State,~~ shall  
 343 accompany the application for renewal of the registration.

344 (2) A ~~mark~~ registration may be renewed for successive  
 345 periods of 5 ~~10~~ years in like manner.

346 (3) Any registration in effect on the date on which this  
 347 section becomes law shall continue in effect for the unexpired  
 348 term thereof and may be renewed by filing an application for  
 349 renewal with the secretary complying with the requirements of  
 350 the secretary and paying the renewal fee therefor within 6  
 351 months prior to the expiration of the registration ~~The~~  
 352 ~~Department of State shall notify registrants of marks hereunder~~  
 353 ~~of the necessity of renewal within the year next preceding the~~  
 354 ~~expiration of the 10 years from the date of registration by~~  
 355 ~~writing to the last known address of the registrants. The~~  
 356 ~~department shall prescribe the forms on which to make the~~  
 357 ~~required notification and the renewal called for in subsection~~  
 358 ~~(1) and may substitute the uniform business report, pursuant to~~  
 359 ~~s. 606.06, as a means of satisfying the requirement of this~~  
 360 ~~part.~~

361 (4) All applications for renewals under this chapter  
 362 whether of registrations made under this act or of registrations  
 363 effected under any prior act, shall include a statement that the  
 364 mark has been and is still in use and include a specimen showing  
 365 actual use of the mark on or in connection with the goods or  
 366 services in this state, or that its nonuse is due to special  
 367 circumstances which excuse such nonuse and is not due to any  
 368 intention to abandon the mark.

369 Section 9. Section 495.081, Florida Statutes, is amended  
 370 to read:

371 495.081 Assignments; changes of name; other instruments  
 372 Assignment.--

373 (1) Any mark and its registration hereunder shall be  
 374 assignable with the good will of the business in which the mark  
 375 is used or with that part of the good will of the business  
 376 connected with the use of and symbolized by the mark. Assignment  
 377 shall be by instruments in writing duly executed and may be  
 378 recorded with the secretary ~~Department of State~~ upon the payment  
 379 of a recording fee of \$50, payable to the secretary who  
 380 ~~Department of State which~~, upon recording of the assignment,  
 381 shall issue in the name of the assignee a new certificate for  
 382 the remainder of the term of the registration or of the last  
 383 renewal thereof. An assignment of any registration under this  
 384 chapter shall be void as against any subsequent purchaser for  
 385 valuable consideration without notice, unless such assignment is  
 386 recorded with the secretary ~~Department of State~~ within 3 months  
 387 after the date thereof or prior to subsequent purchase at any  
 388 time after the expiration of such 3-month period, unless an

389 ~~assignment given in connection with any subsequent purchase is~~  
 390 ~~recorded with the Department of State prior to or within 10 days~~  
 391 ~~after such assignment is recorded.~~

392 (2) Any registrant or applicant effecting a change of the  
 393 name of the person to whom the mark was issued or for whom an  
 394 application was filed may record a certificate of change of name  
 395 of the registrant or applicant with the secretary upon the  
 396 payment of the recording fee. The secretary may issue in the  
 397 name of the assignee a certificate of registration of an  
 398 assigned application. The secretary may issue in the name of the  
 399 assignee a new certificate or registration for the remainder of  
 400 the term of the registration or last renewal thereof.

401 (3) Other instruments, such as licenses, security  
 402 interests, or mortgages which relate to a mark registered or  
 403 application pending pursuant to this chapter, may be recorded in  
 404 the discretion of the secretary, provided that such instrument  
 405 is in writing and duly executed.

406 (4) Acknowledgement shall be prima facie evidence of the  
 407 execution of an assignment or other instrument and, when  
 408 recorded by the secretary, the record shall be prima facie  
 409 evidence of execution.

410 (5) A photocopy of any instrument referred to in this  
 411 subsection shall be accepted for recording if it is certified to  
 412 be a true and correct copy of the original by any of the parties  
 413 thereto, or their successors.

414 Section 10. Section 495.091, Florida Statutes, is amended  
 415 to read:

416 495.091 Records.--The secretary ~~Department of State~~ shall  
 417 keep for public examination a record of all marks registered or  
 418 renewed under this chapter, as well as a record of all documents  
 419 recorded pursuant to s. 495.081.

420 Section 11. Section 495.101, Florida Statutes, is amended  
 421 to read:

422 (Substantial rewording of section. See  
 423 s. 495.101, F.S., for present text.)

424 495.101 Cancellation.--The secretary shall cancel from the  
 425 register:

426 (1) Any registration voluntarily requested to be canceled  
 427 by the registrant or the assignee of record.

428 (2) All registrations granted under this chapter and not  
 429 renewed in accordance with the provisions hereof.

430 (3) Any registration which a court of competent  
 431 jurisdiction finds that:

432 (a) The registered mark has been abandoned.

433 (b) The registrant is not the owner of the mark.

434 (c) The registration was granted improperly.

435 (d) The registration was obtained fraudulently.

436 (e) The mark is or has become the generic name for the  
 437 goods or services, or a portion thereof, for which it has been  
 438 registered.

439 (f) The registered mark is so similar, as to be likely to  
 440 cause confusion or mistake or to deceive, to a mark registered  
 441 by another person in the United States Patent and Trademark  
 442 Office, prior to the date of the filing of the application for  
 443 registration by the registrant hereunder, and not abandoned;

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444 however, should the registrant prove that the registrant is the  
 445 owner of a concurrent registration of a mark in the United  
 446 States Patent and Trademark Office covering an area including  
 447 this state, the registration hereunder shall not be canceled.

448 (4) Any registration which a court of competent  
 449 jurisdiction orders canceled on any ground.

450 Section 12. Section 495.111, Florida Statutes, is amended  
 451 to read:

452 (Substantial rewording of section. See  
 453 s. 495.111, F.S., for present text.)

454 495.111 Classification.--The secretary shall establish a  
 455 classification of goods and services for convenience of  
 456 administration of this chapter, but shall not limit or extend  
 457 the applicant's or registrant's rights. A single application for  
 458 registration of a mark may include any or all goods upon which,  
 459 or services with which, the mark is actually being used  
 460 indicating the appropriate class or classes of goods or  
 461 services. When a single application includes goods or services  
 462 which fall within multiple classes, the secretary may require  
 463 payment of a fee for each class. To the extent practicable, the  
 464 classification of goods and services should conform to the  
 465 classification adopted by the United States Patent and Trademark  
 466 Office.

467 Section 13. Section 495.121, Florida Statutes, is amended  
 468 to read:

469 495.121 Fraudulent registration.--Any person who shall for  
 470 herself or himself, or on behalf of any other person, procure  
 471 the filing or registration of any mark with the secretary

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472 ~~Department of State~~ under the provisions hereof, by knowingly  
 473 making any false or fraudulent representation or declaration,  
 474 verbally or in writing, or by any other fraudulent means, shall  
 475 be liable to pay all damages sustained in consequence of such  
 476 filing or registration, and for punitive or exemplary damages,  
 477 to be recovered by or on behalf of the party injured thereby in  
 478 any court of competent jurisdiction.

479 Section 14. Section 495.131, Florida Statutes, is amended  
 480 to read:

481 495.131 Infringement.--Subject to the provisions of s.  
 482 495.161, any person who shall:

483 (1) Use, without the consent of the registrant, any  
 484 reproduction, counterfeit, copy, or colorable imitation of a  
 485 mark registered under this chapter ~~on any goods or~~ in connection  
 486 with the sale, offering for sale, distribution or advertising of  
 487 any goods or services on or in connection with which such use is  
 488 likely to cause confusion or mistake or to deceive as to the  
 489 source or origin of such goods or services; or

490 (2) Reproduce, counterfeit, copy or colorably imitate any  
 491 such mark and apply such reproduction, counterfeit, copy or  
 492 colorable imitation to labels, signs, prints, packages,  
 493 wrappers, receptacles or advertisements intended to be used upon  
 494 or in conjunction with the sale or other, ~~offering for sale,~~  
 495 ~~distribution or advertising~~ in this state of goods or services;

496  
 497 shall be liable in a civil action by the owner of such  
 498 registered mark for any or all of the remedies provided in s.  
 499 495.141, except that under subsection (2) hereof the registrant

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500 shall not be entitled to recover profits or damages unless the  
 501 acts have been committed with the intent ~~knowledge that such~~  
 502 ~~mark is intended to be used~~ to cause confusion or mistake or to  
 503 deceive.

504 Section 15. Section 495.141, Florida Statutes, is amended  
 505 to read:

506 495.141 Remedies.--

507 ~~(1)~~ Any owner of a mark registered under this chapter may  
 508 proceed by suit to enjoin the manufacture, use, display, or sale  
 509 of any counterfeits or imitations thereof and any court of  
 510 competent jurisdiction may grant injunctions to restrain such  
 511 manufacture, use, display or sale as may be by the said court  
 512 deemed just and reasonable, and may require the defendants to  
 513 pay to such owner all profits derived from and/or all damages  
 514 suffered by reason of such wrongful manufacture, use, display,  
 515 or sale ~~and to pay the costs of the action;~~ and such court may  
 516 also order that any such counterfeits or imitations in the  
 517 possession or under the control of any defendant in such case be  
 518 delivered to an officer of the court, or to the complainant, to  
 519 be destroyed. The court, in its discretion, may enter judgment  
 520 for an amount not to exceed three times such profits and damages  
 521 and reasonable attorney's fees of the prevailing party in such  
 522 cases where the court finds the other party committed the  
 523 wrongful acts with knowledge, in bad faith, or otherwise as  
 524 according to the circumstances of the case. The enumeration of  
 525 any right or remedy herein shall not affect a registrant's right  
 526 to prosecute under any penal law of this state ~~In assessing~~  
 527 ~~profits the plaintiff shall be required to prove defendant's~~

528 ~~sales only; defendant must prove all elements of cost or~~  
 529 ~~deduction claimed. In assessing damages the court may enter~~  
 530 ~~judgment, according to the circumstances of the case, for any~~  
 531 ~~sum above the amount found as actual damages, not exceeding 3~~  
 532 ~~times such amount. If the court shall find that the amount of~~  
 533 ~~the recovery based on profits is either inadequate or excessive~~  
 534 ~~the court may in its discretion enter judgment for such sum as~~  
 535 ~~the court shall find to be just, according to the circumstances~~  
 536 ~~of the case. Such sum in either of the above circumstances shall~~  
 537 ~~constitute compensation and not a penalty.~~

538 ~~(2) The enumeration of any right or remedy herein shall~~  
 539 ~~not affect a registrant's right to prosecute under any penal law~~  
 540 ~~of this state.~~

541 Section 16. Section 495.145, Florida Statutes, is created  
 542 to read:

543 495.145 Forum for actions regarding registration; service  
 544 on out-of-state registrants.--

545 (1) Actions to require cancellation of a mark registered  
 546 pursuant to this chapter, or in mandamus, to compel registration  
 547 of a mark pursuant to this chapter shall be brought in any court  
 548 of competent jurisdiction. In an action in mandamus, the  
 549 proceeding shall be based solely upon the record before the  
 550 secretary. In an action for cancellation, the secretary shall  
 551 not be made a party to the proceeding but shall be notified of  
 552 the filing of the complaint by the clerk of the court in which  
 553 it is filed and shall be given the right to intervene in the  
 554 action.

555       (2) In any action brought against a nonresident  
 556 registrant, service may be effected upon the secretary as agent  
 557 for service of the registrant in accordance with the procedures  
 558 established for service upon nonresident corporations and  
 559 business entities under s. 48.081.

560       Section 17. Section 495.151, Florida Statutes, is amended  
 561 to read:

562       (Substantial rewording of section. See  
 563 s. 495.151, F.S., for present text.)

564       495.151 Injury to business reputation; dilution.--

565       (1) The owner of a mark which is famous in this state  
 566 shall be entitled, subject to the principles of equity and upon  
 567 such terms as the court seems reasonable, to an injunction, and  
 568 to obtain such other relief against another person's commercial  
 569 use of a mark or trade name, if such use begins after the mark  
 570 has become famous and causes dilution of the distinctive quality  
 571 of the mark, as is provided in this section. In determining  
 572 whether a mark is distinctive and famous, a court may consider  
 573 factors, including, but not limited to:

574       (a) The degree of inherent or acquired distinctiveness of  
 575 the mark in this state.

576       (b) The duration and extent of use of the mark in  
 577 connection with the goods and services with which the mark is  
 578 used.

579       (c) The duration and extent of advertising and publicity  
 580 of the mark in this state.

581       (d) The geographical extent of the trading area in which  
 582 the mark is used.

583           (e) The channels of trade for the goods or services with  
 584 which the mark is used.

585           (f) The degree of recognition of the mark in the trading  
 586 areas and channels of trade in this state used by the mark's  
 587 owner and the person against whom the injunction is sought.

588           (g) The nature and extent of use of the same or similar  
 589 mark by third parties.

590           (h) Whether the mark is the subject of a state  
 591 registration in this state, or a federal registration under the  
 592 federal Act of March 3, 1881, or the federal Act of February 20,  
 593 1905, or on the principal register.

594           (2) In an action brought under this section, the owner of  
 595 a famous mark shall be entitled only to injunctive relief in  
 596 this state, unless the person against whom the injunctive relief  
 597 is sought willfully intended to trade on the owner's reputation  
 598 or to cause dilution of the famous mark. If such willful intent  
 599 is proven, the owner shall also be entitled to the remedies set  
 600 forth in this chapter, subject to the discretion of the court  
 601 and the principles of equity. The following shall not be  
 602 actionable under this section:

603           (a) Fair use of a famous mark by another person in  
 604 comparative commercial advertising or promotion to identify the  
 605 competing goods or services of the owner of the famous mark.

606           (b) Noncommercial use of the mark.

607           (c) All forms of news reporting and news commentary.

608           Section 18. Section 495.161, Florida Statutes, is amended  
 609 to read:

610 495.161 Common-law rights.--Nothing herein shall adversely  
 611 affect ~~or diminish~~ the rights or the enforcement of rights in  
 612 marks acquired in good faith at any time at common law.

613 Section 19. Section 495.165, Florida Statutes, is created,  
 614 to read:

615 495.165 Fees.--The secretary shall prescribe reasonable  
 616 fees payable for the various applications and recording fees and  
 617 for related services. Unless specified by the secretary, the  
 618 fees payable herein are not refundable.

619 Section 20. Section 495.171, Florida Statutes, is amended  
 620 to read:

621 (Substantial rewording of section. See  
 622 s. 495.171, F.S., for present text.)

623 495.171 Effective date; intent of chapter.--

624 (1) This section shall be in force and take effect after  
 625 its becoming a law but shall not affect any suit, proceeding, or  
 626 appeal then pending.

627 (2) The intent of this chapter is to provide a system of  
 628 state trademark registration and protection substantially  
 629 consistent with the federal system of trademark registration and  
 630 protection under the Trademark Act of 1946, as amended. To that  
 631 end, the construction given the federal act should be examined  
 632 as persuasive authority for interpreting and construing this  
 633 chapter.

634 Section 21. If any provision of this act or the  
 635 application thereof to any person or circumstance is held  
 636 invalid, the invalidity shall not affect other provisions or  
 637 applications of the act which can be given effect without the

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638 | invalid provision or application, and to this end the provisions  
639 | of this act are declared severable.

640 |       Section 22. This act shall take effect July 1, 2005.

**EXHIBIT C**

**CH. 90-222, LAWS OF FLA.**

## CHAPTER 90-222

## Committee Substitute for Senate Bill No. 2320

An act relating to trademarks and service marks; amending s. 495.011, F.S.; defining "use"; amending s. 495.021, F.S.; providing criteria for registrability; creating s. 495.027, F.S.; providing for reservation of the right to register a trademark or service mark; providing for applications and fees; amending s. 495.081, F.S.; specifying content of application for registration; amending s. 495.061, F.S.; providing that a reservation confers a right of priority of ownership of a trademark or service mark; amending s. 495.101, F.S.; providing criteria for abandonment; creating s. 496.181, F.S.; providing a rule of construction; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (11) of section 495.011, Florida Statutes, is amended to read:

495.011 Definitions.—As used in this chapter:

(11) The term "use" of a trademark or service mark means the bona fide use of the trademark or service mark in the ordinary course of trade, and does not include the use of a trademark or service mark merely for the purpose of reserving a right in the trademark or service mark. For the purposes of this chapter, a trademark shall be deemed to be "used" in this state 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 such goods are sold or otherwise distributed in this state, and a service mark shall be deemed to be "used" in this state when it is used or displayed in the sale or advertising of services in this state or in connection with services rendered in this state.

Section 2. Subsection (1) of section 495.021, Florida Statutes, is amended to read:

495.021 Registrability.—

(1) A mark by which the goods or services of any applicant for registration may be distinguished from the goods or services of others shall not be registered if it:

(a) Consists of, comprises or includes immoral, deceptive or scandalous matter; or

(b) Consists of, comprises or includes matter which may disparage or falsely suggest a connection with persons, living or dead, corporations, firms, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute; or

(c) Consists of, comprises or includes the flag or coat of arms or other insignia of the United States, or of any state or municipality, or of any foreign nation, or any simulation thereof; or

(d) Consists of, comprises or includes the name, signature or portrait of any living individual, except with his written consent; or

- (e) Consists of a mark which:
1. When applied to the goods or services of the applicant is merely descriptive or deceptively misdescriptive of them,
  2. When applied to the goods or services of the applicant is primarily geographically descriptive or deceptively misdescriptive of them or their source or origin, or
  3. Is primarily merely a surname, provided, however, that nothing in this paragraph shall prevent the registration of a mark used in this state by the applicant which has become distinctive of the applicant's goods or services in this state or elsewhere.

The Department of State may accept as evidence that the mark has become distinctive, as applied to the applicant's goods or services, proof of substantially exclusive and continuous use thereof as a mark by the applicant in this state or elsewhere for 5 years next preceding the date on which the claim of distinctiveness is made of the filing of the application for registration; or

(f) Consists of or comprises a mark which so resembles a mark registered in this state or a mark or trade name previously used in this state by another and not abandoned, as to be likely, when applied to the goods or services of the applicant, to cause confusion or mistake or to deceive. Registration shall not be denied solely on the basis of reservation or registration by another of a corporate name or fictitious name that is the same or similar to the mark for which registration is sought.

Section 3. Section 495.027, Florida Statutes, is created to read:

495.027 Reservation.—

- (1) A person who has a bona fide intention, under circumstances showing the good faith of such person, to use a mark in connection with the sale within this state of goods or services, or both, may reserve the right to register a mark in this state in connection with particular types of goods or services, subject to the limitations of this chapter, by delivering to the Department of State, on a form furnished by the department, a request to reserve a specified mark. The request shall set forth, but not be limited to, the following information:
- (a) The name and business address of the person requesting such reservation, and, if a corporation, the state of incorporation;
  - (b) The goods and services in connection with which the mark is to be used and the class or classes in which such goods or services fall;
  - (c) A statement that the requester has no knowledge of any other person other than a related company that has the right to use such a mark in this state either in the identical form thereof or in such near resemblance thereto as might be likely to deceive, or confuse, or to be mistaken therefor;
  - (d) A statement that the requester has a bona fide intent to use the mark within this state in connection with the sale of the goods or services listed; and
  - (e) Such other information as the department deems necessary.
- (2) Every request under this section shall be signed and verified by the requester or by a member of the firm or an officer of the corporation or other organization submitting the request.

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(3) Every request under this section shall be accompanied by a filing fee of \$50, payable to the Department of State, for each class of goods or services as specified in s. 495.111, in connection with which the mark is to be used.

(4) If the Department of State finds that the mark requested is available for registration by the requester in connection with the specified goods or services, subject to the limitations set forth in this chapter, the department shall reserve the mark for registration by the requester for a nonrenewable 120-day period commencing from the date that the requester files a request for reservation that complies with the requirements of this chapter.

(5) The right to register a specified mark so reserved may not be transferred during such reservation.

(6) The Department of State may revoke any reservation if, after a hearing, it finds that the request was not made in good faith.

(7) If a person who has obtained such a reservation files an application for registration of such mark prior to the expiration of the reservation, that person shall have the exclusive right during that reservation period to register the mark for the goods or services set forth in that reservation.

Section 4. Subsections (1), (2), and (3) of section 495.031, Florida Statutes, are amended to read:

495.031 Application for registration.—

(1) Subject to the limitations set forth in this chapter, any person who adopts and uses a trademark or service mark in this state may file with the Department of State, on a form to be furnished by the department, an application for registration of that trademark or service mark setting forth, but not limited to, the following information:

(a) The name and business address of the person applying for such registration, and, if a corporation, the state of incorporation;

(b) The goods or services in connection with which the mark is used and the mode or manner in which the mark is used in connection with such goods or services and the class or classes in which such goods or services fall;

(c) The date when the mark was first used anywhere and the date when it was first used in this state by the applicant or his predecessor in business or a related company of the applicant or his predecessor; and

(d) A statement that the applicant is the owner of the mark and that no other person except a related company has the right to use such mark in this state either in the identical form thereof or in such near resemblance thereto as to be likely ~~might be calculated~~ to deceive or confuse or to be mistaken therefor.

(2) Every applicant for registration of a certification mark in this state shall file with the Department of State, on a form to be furnished by the department, an application setting forth, but not limited to, the following information:

(a) The information required by subsection (1)(a);

(b) The date when the certification mark was first used anywhere and the date when it was first used in this state under the authority of the applicant;

(c) The manner in which and the conditions under which the certification mark is used in this state; and

(d) A statement that the applicant is exercising control over the use of the mark, that he is not himself engaged in the production or marketing of the goods or services to which the mark is applied, and that no person except the applicant or persons authorized by the applicant, or related companies thereof, has the right to use such mark in this state either in the identical form thereof or in such near resemblance thereto as to be likely might be calculated to deceive or confuse or to be mistaken therefor.

(3) Every applicant for registration of a collective mark in this state shall file with the Department of State, on a form to be furnished by the department, an application setting forth, but not limited to, the following information:

- (a) The information required by subsection (1)(a) and (b);
- (b) The date when the collective mark was first used anywhere and the date when it was first used in this state by any member of the applicant or a related company of such member;
- (c) The class of persons entitled to use the mark, indicating their relationship to the applicant, and the nature of the applicant's control over the use of the mark; and
- (d) A statement that no person except the applicant or members of the applicant, or related companies thereof, has the right to use such mark in this state either in the identical form thereof or in such near resemblance thereto as to be likely might be calculated to deceive or confuse or to be mistaken therefor.

Section 5. Subsection (3) is added to section 495.061, Florida Statutes, to read:

495.061 Certificate of registration.—

(3) Contingent on the registration of a mark under this chapter, the reservation of such mark based on intent to use, as provided in this chapter, shall be prima facie evidence of priority of ownership of such mark within this state on or in connection with the goods or services specified in the reservation against any other person, except for a person whose mark has not been abandoned and who, prior to such reservation, has used the mark within this state on or in connection with such goods or services.

Section 6. Subsection (4) of section 495.101, Florida Statutes, is amended to read:

495.101 Cancellation.—The Department of State shall cancel from the register:

(4) Any registration concerning which a court of competent jurisdiction shall find that:

(a) The registered mark has been abandoned. A mark shall be deemed to be "abandoned" when either of the following occurs:

1. When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 2 consecutive years shall be prima facie evidence of abandonment.

2. When any court as commission, cause vices on or in connection as a mark. Purchaser under this paragraph

(b) The registrar

(c) The registrar

(d) The registrar

(e) The registrar take or to deceive, tent Office, prior to registrant hereunder, istrant prove that l United States Patent hereunder shall no

(f) In the case is not able to exercise tion or marketing plied; or permits ty; or discriminate of any person who files.

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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 on or in connection with which it is used, or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this paragraph.

- (b) The registrant of a trademark or service mark is not the owner of the mark;
- (c) The registration was granted improperly;
- (d) The registration was obtained fraudulently;

(e) The registered mark is so similar, as to be likely to cause confusion or mistake or to deceive, to a mark registered by another person in the United States Patent Office, prior to the date of the filing of the application for registration by the registrant hereunder, and not abandoned; provided, however, that should the registrant prove that he is the owner of a concurrent registration of his mark in the United States Patent Office covering an area including this state, the registration hereunder shall not be canceled;

(f) In the case of a certification mark, that the registrant does not control or is not able to exercise control over the use of such mark; or engages in the production or marketing of any goods or services to which the certification mark is applied; or permits the use of the certification mark for purposes other than to certify; or discriminately refused to certify or to continue to certify the goods or services of any person who maintains the standards or conditions which such mark certifies.

Section 7. Section 495.181, Florida Statutes, is created to read:

495.181 Construction of chapter.—It is the intent of the Legislature that, in construing this chapter, due consideration and great weight be given to the interpretations of the federal courts relating to comparable provisions of the Trademark Act of 1946, as amended (15 U.S.C. s. 1051 et seq.).

Section 8. This act shall take effect October 1, 1990.

Became a law without the Governor's approval June 30, 1990.

Filed in Office Secretary of State June 30, 1990.

CHAPTER 90-223

House Bill No. 513

An act relating to life-prolonging procedures; amending s. 765.03, F.S.; revising the definition of "life-prolonging procedure" as used in the Life-Prolonging Procedure Act of Florida, which act provides a procedure for permitting life-prolonging procedures to be withheld or withdrawn from a patient in a terminal condition, under certain circumstances; amending s. 765.05, F.S.; revising the suggested form of declaration; creating s. 765.075, F.S.; providing circumstances under which nutrition or hydration may be withheld or withdrawn; providing right of next of kin to ne-

**EXHIBIT D**

**INTA WHITE PAPER ON MSTB**

## White Paper

### on New Model State Trademark Act Seeking to Amend Chapter 495 Florida Statutes

The following is a synopsis of the major revisions to the Model State Trademark Bill. It offers a brief explanation as to the nature of the amendments and the rationale behind the changes.

Additional references are also provided should a more in depth explanation of the revisions be required.

Originally promulgated by the International Trademark Association (INTA) (formerly the United States Trademark Association) in 1949, the Model State Trademark Bill (MSTB) fostered uniformity among existing state trademark statutes and addressed proposals mandating compulsory registration statutes. Since its inception, the Model Bill has been adopted in 46 states as the foundation for their trademark statutes. The current Florida law, found at Chapter 495 of the Florida Statutes, was enacted in 1967 and based upon INTA'S 1964 model bill.

In order to assist states in keeping abreast of present day trademark owner practices while continuing to promote uniformity, in September 1992, INTA's Board of Directors approved a proposal revising the MSTB to reflect current needs of intrastate and regional commerce while harmonizing state trademark practices with recent changes in federal trademark law. The dilution provisions of the MSTB were amended in November 1996 to reflect the recently adopted Federal Trademark Dilution Act of 1996. The MSTB has been reviewed by both the International Association of Corporation Administrators (IACA) and the National Association of Secretaries of State (NASS) as well as several state bar associations.

Of particular note are the following MSTB revised sections:

#### **SECTION 1 - DEFINITIONS.**

The word "use" has been revised according to the stringent standards of the Trademark Law Revision Act (TLRA) and also to cover only "use in the state" (see 15 U.S.C. §1127). The requirement of intrastate use eliminates possible ambiguities

created by alternate references to "use" or "use in this state" throughout the existing MSTB.

"Abandonment" has been added in recognition of its occurrence on the state level and use sufficient to avoid abandonment must be use within the state (see 15 U.S.C. §1127).

"Dilution" has been added to allay any outstanding questions regarding its meaning (see §13 of the MSTB for further details).

### **SECTION 3 - APPLICATION FOR REGISTRATION.**

In this section, a new subparagraph (d) requires the applicant to state that to the applicant's knowledge, no other person has previously registered a confusingly similar mark, federally or in the state.

Furthermore, an applicant must state whether an application to register the mark has been filed with the United States Patent and Trademark Office ("USPTO") by the applicant or a predecessor and, if registration was refused, to provide full particulars with respect thereto. This change is in direct response to comments of state trademark administrators who had expressed a desire to benefit from any prior federal examinations of a mark.

### **SECTION 6 - DURATION AND RENEWAL.**

The duration of regular registration is halved from ten to five years in order to reduce the number of "deadwood" registrations. "Deadwood" refers to marks which have not been used in commerce for an extended period of time. This provision corresponds to the federal duration period which was halved from twenty to ten years by the TLRA (see 15 U.S.C. §1059).

### **SECTION 7 - ASSIGNMENTS, CHANGES OF NAME.**

Under the prior version of the Model Bill, assignments of trademark registrations and applications are recordable. Section 7 was revised to also allow recordation of changes of name.

Furthermore, §7 was revised to allow recordation of other instruments which relate to state trademark registrations or applications, such as licenses, security interests or mortgages.

As under the Lanham Act (15 U.S.C. §1060), the recordation of an assignment or other such instrument under the Model Bill serves as prima facie evidence of the execution (transfer of ownership) of the instrument.

#### **SECTION 9 - CANCELLATION.**

In their decisions, courts had refrained from using "common descriptive" and were using the term "generic". The TLRA (15 U.S.C. §1064) replaced the words "common descriptive" with the more contemporary term "generic". A registration issued under the Lanham Act may be canceled if it becomes generic. Thus, the MSTB was amended to provide that a registration may be canceled if the mark has become the generic name for the goods or services for which it has been registered.

#### **SECTION 10 - CLASSIFICATION.**

Some states have adopted the old U.S. classification system while others have converted to the International classification system. The draft removes direct delineation of prescribed classification systems and leaves it to state discretion, with the recommendation that the system used by the USPTO be adopted.

#### **SECTION 13 - INJURY TO BUSINESS REPUTATION; DILUTION.**

Dilution is defined in §1(K) of the MSTB as: "the lessening of the capacity of a mark to identify and distinguish goods or services, regardless of the presence or absence of (a) competition between the parties, or (b) likelihood of confusion, mistake, or deception."

Very often the distinctiveness of a famous mark is diluted (weakened) when it is used without the owner's consent on dissimilar products. The injury connected with dilution occurs over an extended period of time, gradually "chipping away" at a famous mark's foundation. Section 13 establishes criterion to assist the judiciary in determining whether a mark is famous.

On January 16, 1996, President Clinton signed into law, the Federal Trademark Dilution Act of 1995 (P.L. # 104-98). The federal law does not preempt a state dilution statute. State dilution laws still apply in cases involving locally famous or distinctive marks. INTA notes that unlike patent and copyright laws, federal trademark law presently coexists with state trademark

law, and it is to be expected that a federal dilution statute should similarly coexist with state dilution statutes.

#### **SECTION 14 - REMEDIES.**

Section 14 of the revised Model Bill provides additional remedies for cases involving infringement.

"The court, in its discretion, may now enter judgement for an amount not to exceed three times such profits and damages and/or reasonable attorneys' fees of the prevailing party in such cases where the court finds the other party committed such wrongful acts with knowledge or in bad faith or otherwise as according to the circumstances of the case."

This provision is similar to the one contained in the Lanham Act (see 15 U.S.C. §1114).

#### **SECTION 17 - FEES.**

In the prior version of the MSTB, fees payable under the Model Bill were directly set forth in the statute. Any changes to the fee structure required legislative action. In order to provide greater flexibility, §17 was added to the Model Bill to allow the Secretary of State to set fees payable under the Model Bill by regulation. This change is analogous to the language in the Lanham Act (15 U.S.C. §1113).

State applicants have erroneously claimed they were entitled to a refund of the trademark application fee if the state eventually did not grant the registration. Section 17 resolves any ambiguities by explicitly mentioning that the state is not required to refund any fees.

#### **SECTION 19 - INTENT OF ACT.**

The MSTB was patterned after the Lanham Act and it is appropriate for a court to interpret the Bill in accordance with federal decisions under the Lanham Act. Thus, the revision adds the following section:

**Intent of Act.** The intent of this Act is to provide a system of state trademark registration and protection substantially consistent with the federal system of trademark registration and protection under the Trademark Act of 1946, as amended. To

that end, the construction given the federal Act should be examined as persuasive authority for interpreting and construing this Act.

## **MODEL STATE TRADEMARK BILL**

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### **An Act to Provide for the Registration and Protection of Trademarks**

(Be it enacted, etc.)

### **SEE ALSO: A GUIDE TO UNDERSTANDING THE REVISED MODEL STATE TRADEMARK BILL**

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#### **SECTION 1. DEFINITIONS.**

(A) The term "trademark" as used herein means any word, name, symbol, or device or any combination thereof used by a person to identify and distinguish the goods of such person, including a unique product, from those manufactured or sold by others, and to indicate the source of the goods, even if that source is unknown.

(B) The term "service mark" as used herein means any word, name, symbol, or device or any combination thereof used by a person, to identify and distinguish the services of one person, including a unique service, from the services of others, and to indicate the source of the services, even if that source is unknown. Titles, character names used by a person, 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.

(C) The term "mark" as used herein includes any trademark or service mark, entitled to registration under this Act whether registered or not.

(D) The term "trade name" means any name used by a person to identify a business or vocation of such person.

(E) The term "person" and any other word or term used to designate the applicant or other party entitled to a benefit or privilege or rendered liable under the provisions of this Act includes a juristic person as well as a natural person. The term "juristic person" includes a firm, partnership, corporation, union, association, or other organization capable of suing and being sued in a court of law.

(F) The term "applicant" as used herein embraces the person filing an application for registration of a mark under this Act, and the legal representatives, successors, or assigns of such person.

(G) The term "registrant" as used herein embraces the person to whom the registration of a mark under this Act is issued, and the legal representatives, successors, or assigns of such person.

(H) The term "use" means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For the purposes of this Act, a mark shall be deemed to be in use

(1) on goods when it is placed in any manner on the goods or other 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 in this state, and

(2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in this state.

(I) A mark shall be deemed to be "abandoned" when either of the following occurs:

(1) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall constitute prima facie evidence of abandonment.

(2) When any course of conduct of the owner, including acts of omission as well as commission, causes the mark to lose its significance as a mark.

(J) The term "Secretary" as used herein means the secretary of the state or the designee of the secretary charged with the administration of this Act.

(K) The term "dilution" as used herein means the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (a) competition between the owner of the famous mark and other parties, or (b) likelihood of confusion, mistake, or deception.

## **SECTION 2. REGISTRABILITY.**

A mark by which the goods or services of any applicant for registration may be distinguished from the goods or services of others shall not be registered if it

(A) consists of or comprises immoral, deceptive or scandalous matter; or

(B) consists of or comprises matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute; or

(C) consists of or comprises the flag or coat of arms or other insignia of the United States, or of any state or municipality, or of any foreign nation, or any simulation thereof; or

(D) consists of or comprises the name, signature or portrait identifying a particular living individual, except by the individual's written consent;

(E) consists of a mark which,

(1) when used on or in connection with the goods or services of the applicant, is merely descriptive or deceptively misdescriptive of them, or

(2) when used on or in connection with the goods or services of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, or

(3) is primarily merely a surname, provided, however, that nothing in this subsection(E) shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods or services. The Secretary may accept as evidence that the mark has become distinctive, as used on or in connection with the applicant's goods or services, proof of continuous use thereof as a mark by the applicant in this state for the five years before the date on which the claim of distinctiveness is made; or

(F) consists of or comprises a mark which so resembles a mark registered in this state or a mark or trade name previously used by another and not abandoned, as to be likely, when used on or in connection with the goods or services of the applicant, to cause confusion or mistake or to deceive.

### **SECTION 3. APPLICATION FOR REGISTRATION.**

Subject to the limitations set forth in this Act, any person who uses a mark may file in the office of the Secretary, in a manner complying with the requirements of the Secretary, an application for registration of that mark setting forth, but not limited to, the following information:

- (A) the name and business address of the person applying for such registration; and, if a corporation, the state of incorporation, or if a partnership, the state in which the partnership is organized and the names of the general partners, as specified by the Secretary,
- (B) the goods or services on or in connection with which the mark is used and the mode or manner in which the mark is used on or in connection with such goods or services and the class in which such goods or services fall,
- (C) the date when the mark was first used anywhere and the date when it was first used in this state by the applicant or a predecessor in interest, and
- (D) a statement that the applicant is the owner of the mark, that the mark is in use, and that, to the knowledge of the person verifying the application, no other person has registered, either federally or in this state, or has the right to use such mark either in the identical form thereof or in such near resemblance thereto as to be likely, when applied to the goods or services of such other person, to cause confusion, or to cause mistake, or to deceive.

The Secretary may also require a statement as to whether an application to register the mark, or portions or a composite thereof, has been filed by the applicant or a predecessor in interest in the United States Patent and Trademark Office; and, if so, the applicant shall provide full particulars with respect thereto including the filing date and serial number of each application, the status thereof and, if any application was finally refused registration or has otherwise not resulted in a registration, the reasons therefore.

The Secretary may also require that a drawing of the mark, complying with such requirements as the Secretary may specify, accompany the application.

The application shall be signed and verified (by oath, affirmation or declaration subject to perjury laws) by the applicant or by a member of the firm or an officer of the corporation or association applying.

The application shall be accompanied by three specimens showing the mark as actually used.

The application shall be accompanied by the application fee payable to the Secretary of state.

### **SECTION 4. FILING OF APPLICATIONS.**

- (A) Upon the filing of an application for registration and payment of the application fee, the Secretary may cause the application to be examined for conformity with this Act.
- (B) The applicant shall provide any additional pertinent information requested by the Secretary including a description of a design mark and may make, or authorize the Secretary to make, such amendments to the application as may be reasonably requested by the Secretary or deemed by applicant to be advisable to respond to any rejection or objection.
- (C) The Secretary may require the applicant to disclaim an unregistrable component of a mark otherwise registrable, and an applicant may voluntarily disclaim a component of a

mark sought to be registered. No disclaimer shall prejudice or affect the applicant's or registrant's rights then existing or thereafter arising in the disclaimed matter, or the applicant's or registrant's rights of registration on another application if the disclaimed matter be or shall have become distinctive of the applicant's or registrant's goods or services.

(D) Amendments may be made by the Secretary upon the application submitted by the applicant upon applicant's agreement; or a fresh application may be required to be submitted.

(E) If the applicant is found not to be entitled to registration, the Secretary shall advise the applicant thereof and of the reasons therefor. The applicant shall have a reasonable period of time specified by the Secretary in which to reply or to amend the application, in which event the application shall then be reexamined. This procedure may be repeated until

(1) the Secretary finally refuses registration of the mark or

(2) the applicant fails to reply or amend within the specified period, whereupon the application shall be deemed to have been abandoned.

(F) If the Secretary finally refuses registration of the mark, the applicant may seek a writ of mandamus\* to compel such registration. Such writ may be granted, but without costs to the Secretary, on proof that all the statements in the application are true and that the mark is otherwise entitled to registration.

(G) In the instance of applications concurrently being processed by the Secretary seeking registration of the same or confusingly similar marks for the same or related goods or services, the Secretary shall grant priority to the applications in order of filing. If a prior-filed application is granted a registration, the other application or applications shall then be rejected. Any rejected applicant may bring an action for cancellation of the registration upon grounds of prior or superior rights to the mark, in accordance with the provisions of Section 9 of this Act.

## **SECTION 5. CERTIFICATE OF REGISTRATION.**

Upon compliance by the applicant with the requirements of this Act, the Secretary shall cause a certificate of registration to be issued and delivered to the applicant. The certificate of registration shall be issued under the signature of the Secretary and the seal of the state, and it shall show the name and business address and, if a corporation, the state of incorporation, or if a partnership, the state in which the partnership is organized and the names of the general partners, as specified by the Secretary, of the person claiming ownership of the mark, the date claimed for the first use of the mark anywhere and the date claimed for the first use of the mark in this state, the class of goods or services and a description of the goods or services on or in connection with which the mark is used, a reproduction of the mark, the registration date and the term of the registration.

Any certificate of registration issued by the Secretary under the provisions hereof or a copy thereof duly certified by the Secretary shall be admissible in evidence as competent and sufficient proof of the registration of such mark in any actions or judicial proceedings in any court of this state.

## **SECTION 6. DURATION AND RENEWAL.**

A registration of mark hereunder shall be effective for a term of five years from the date of registration and, upon application filed within six months prior to the expiration of such term, in

a manner complying with the requirements of the Secretary, the registration may be renewed for a like term from the end of the expiring term. A renewal fee, payable to the Secretary, shall accompany the application for renewal of the registration.

A registration may be renewed for successive periods of five years in like manner.

Any registration in force on the date on which this Act shall become effective shall continue in full force and effect for the unexpired term thereof and may be renewed by filing an application for renewal with the Secretary complying with the requirements of the Secretary and paying the aforementioned renewal fee therefor within six months prior to the expiration of the registration.

All applications for renewal under this Act, whether of registrations made under this Act or of registrations effected under any prior act, shall include a verified statement that the mark has been and is still in use and include a specimen showing actual use of the mark on or in connection with the goods or services.

#### **SECTION 7. ASSIGNMENTS, CHANGES OF NAME AND OTHER INSTRUMENTS.**

**A.** Any mark and its registration hereunder shall be assignable with the good will of the business in which the mark is used, or with that part of the good will of the business connected with the use of and symbolized by the mark. Assignment shall be by instruments in writing duly executed and may be recorded with the Secretary upon the payment of the recording fee payable to the Secretary who, upon recording of the assignment, shall issue in the name of the assignee a new certificate for the remainder of the term of the registration or of the last renewal thereof. An assignment of any registration under this Act shall be void as against any subsequent purchaser for valuable consideration without notice, unless it is recorded with the Secretary within three months after the date thereof or prior to such subsequent purchase.

**B.** Any registrant or applicant effecting a change of the name of the person to whom the mark was issued or for whom an application was filed may record a certificate of change of name of the registrant or applicant with the Secretary upon the payment of the recording fee. The Secretary may issue in the name of the assignee a certificate of registration of an assigned application. The Secretary may issue in the name of the assignee, a new certificate or registration for the remainder of the term of the registration or last renewal thereof.

**C.** Other instruments which relate to a mark registered or application pending pursuant to this Act, such as, by way of example, licenses, security interests or mortgages, may be recorded in the discretion of the Secretary, provided that such instrument is in writing and duly executed.

**D.** Acknowledgement shall be prima facie evidence of the execution of an assignment or other instrument and, when recorded by the Secretary, the record shall be prima facie evidence of execution.

**E.** A photocopy of any instrument referred to in Sections A, B or C, above, shall be accepted for recording if it is certified by any of the parties thereto, or their successors, to be a true and correct copy of the original.

#### **SECTION 8. RECORDS.**

The Secretary shall keep for public examination a record of all marks registered or renewed under this Act, as well as a record of all documents recorded pursuant to Section 7.

#### **SECTION 9. CANCELLATION.**

The Secretary shall cancel from the register, in whole or in part:

- (1) any registration concerning which the Secretary shall receive a voluntary request for cancellation thereof from the registrant or the assignee of record;
- (2) all registrations granted under this Act and not renewed in accordance with the provisions hereof;
- (3) any registration concerning which a court of competent jurisdiction\*\* shall find
  - (a) that the registered mark has been abandoned,
  - (b) that the registrant is not the owner of the mark,
  - (c) that the registration was granted improperly,
  - (d) that the registration was obtained fraudulently,
  - (e) that the mark is or has become the generic name for the goods or services, or a portion thereof, for which it has been registered,
  - (f) that the registered mark is so similar, as to be likely to cause confusion or mistake or to deceive, to a mark registered by another person in the United States Patent and Trademark Office prior to the date of the filing of the application for registration by the registrant hereunder, and not abandoned; provided, however, that, should the registrant prove that the registrant is the owner of a concurrent registration of a mark in the United States Patent and Trademark Office covering an area including this state, the registration hereunder shall not be cancelled for such area of the state, or
- (4) when a court of competent jurisdiction\*\* shall order cancellation of a registration on any ground.

#### **SECTION 10. CLASSIFICATION.**

The Secretary shall by regulation establish a classification of goods and services for convenience of administration of this Act, but not to limit or extend the applicant's or registrant's rights, and a single application for registration of a mark may include any or all goods upon which, or services with which, the mark is actually being used indicating the appropriate class or classes of goods or services. When a single application includes goods or services which fall within multiple classes, the Secretary may require payment of a fee for each class. To the extent practical, the classification of goods and services should conform to the classification adopted by the United States Patent and Trademark Office.

#### **SECTION 11. FRAUDULENT REGISTRATION.**

Any person who shall for himself or herself, or on behalf of any other person, procure the filing or registration of any mark in the office of the Secretary under the provisions hereof, by knowingly making any false or fraudulent representation or declaration, orally or in writing, or by any other fraudulent means, shall be liable to pay all damages sustained in consequence of such filing or registration, to be recovered by or on behalf of the party injured thereby in any court of competent jurisdiction.

#### **SECTION 12. INFRINGEMENT.**

Subject to the provisions of Section 16 hereof, any person who shall

- (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable

imitation of a mark registered under this Act in connection with the sale, distribution, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive as to the source of origin of such goods or services; or

(b) reproduce, counterfeit, copy or colorably imitate any such mark and apply such reproduction, counterfeit, copy or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale or other distribution in this state of such goods or services;

shall be liable in a civil action by the registrant for any and all of the remedies provided in Section 14 hereof, except that under subsection (b) hereof the registrant shall not be entitled to recover profits or damages unless the acts have been committed with the intent to cause confusion or mistake or to deceive.

### **SECTION 13. INJURY TO BUSINESS REPUTATION; DILUTION.**

The owner of a mark which is famous in this state shall be entitled, subject to the principles of equity and upon such terms as the court seems reasonable, to an injunction against another person's commercial use of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this section. In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to:

- (A) the degree of inherent or acquired distinctiveness of the mark in this state;
- (B) the duration and extent of use of the mark in connection with the goods and services with which the mark is used;
- (C) the duration and extent of advertising and publicity of the mark in this state;
- (D) the geographical extent of the trading area in which the mark is used;
- (E) the channels of trade for the goods or services with which the mark is used;
- (F) the degree of recognition of the mark in the trading areas and channels of trade in this state used by the mark's owner and the person against whom the injunction is sought;
- (G) the nature and extent of use of the same or similar mark by third parties; and
- (H) whether the mark is the subject of a state registration in this state, or a federal registration under the Act of March 3, 1881, or under the Act of February 20, 1905, or on the principal register.

In an action brought under this section, the owner of a famous mark shall be entitled only to injunctive relief in this state, unless the person against whom the injunctive relief is sought willfully intended to trade on the owner's reputation or to cause dilution of the famous mark. If such willful intent is proven, the owner shall also be entitled to the remedies set forth in this chapter, subject to the discretion of the court and the principles of equity.

The following shall not be actionable under this section:

- (A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.
- (B) Noncommercial use of the mark.
- (C) All forms of news reporting and news commentary.

#### **SECTION 14. REMEDIES.**

Any owner of a mark registered under this Act may proceed by suit to enjoin the manufacture, use, display or sale of any counterfeits or imitations thereof and any court of competent jurisdiction\*\* may grant injunctions to restrain such manufacture, use, display or sale as may be by the said court deemed just and reasonable, and may require the defendants to pay to such owner all profits derived from and/or all damages suffered by reason of such wrongful manufacture, use, display or sale; and such court may also order that any such counterfeits or imitations in the possession or under the control of any defendant in such case be delivered to an officer of the court, or to the complainant, to be destroyed. The court, in its discretion, may enter judgment for an amount not to exceed three times such profits and damages and/or reasonable attorneys' fees of the prevailing party in such cases where the court finds the other party committed such wrongful acts with knowledge or in bad faith or otherwise as according to the circumstances of the case.

The enumeration of any right or remedy herein shall not affect a registrant's right to prosecute under any penal law of this state.

#### **SECTION 15. FORUM FOR ACTIONS REGARDING REGISTRATION;SERVICE ON OUT OF STATE REGISTRANTS.**

**A.** Actions to require cancellation of a mark registered pursuant to this Act or in mandamus to compel registration of a mark pursuant to this Act shall be brought in the [name of court]. In an action in mandamus, the proceeding shall be based solely upon the record before the Secretary. In an action for cancellation, the Secretary shall not be made a party to the proceeding but shall be notified of the filing of the complaint by the clerk of the court in which it is filed and shall be given the right to intervene in the action.

**B.** In any action brought against a non-resident registrant, service may be effected upon the Secretary as agent for service of the registrant in accordance with the procedures established for service upon non-resident corporations and business entities under sections < > of the .

#### **SECTION 16. COMMON LAW RIGHTS.**

Nothing herein shall adversely affect the rights or the enforcement of rights in marks acquired in good faith at any time at common law.

#### **SECTION 17. FEES.**

The Secretary shall by regulation prescribe the fees payable for the various applications and recording fees and for related services. Unless specified by the Secretary, the fees payable herein are not refundable.

#### **SECTION 18. SEVERABILITY.**

If any provision hereof, or the application of such provision to any person or circumstance is held invalid, the remainder of this Act shall not be affected thereby.

#### **SECTION 19. TIME OF TAKING EFFECT - REPEAL OF PRIOR ACTS; INTENT OF ACT.**

This Act shall be in force and take effect after its enactment but shall not affect any suit, proceeding or appeal then pending. All acts relating to marks and parts of any other acts inconsistent herewith are hereby repealed on the effective date of this Act, provided that as to any

application, suit, proceeding or appeal, and for that purpose only, pending at the time this Act takes effect such repeal shall be deemed not to be effective until final determination of said pending application, suit, proceeding or appeal.

The intent of this Act is to provide a system of state trademark registration and protection substantially consistent with the federal system of trademark registration and protection under the Trademark Act of 1946, as amended. To that end, the construction given the federal Act should be examined as persuasive authority for interpreting and construing this Act.

# **EXHIBIT E**

## **INTERNATIONAL CLASSIFICATION OF GOODS AND SERVICES**

# NICE CLASSIFICATION

## Introduction

[Preface](#)

[Nice Agreement](#)

[Madrid Agreement](#)

[Protocol Relating to the Madrid Agreement](#)

[Guidance for the User](#)

[General Remarks](#)

[Class Headings and List of Goods and Services \(in Class order\)](#)

[List of Classes with Explanatory Notes](#)

## Class Headings

- Class 1** Chemicals used in industry, science and photography, as well as in agriculture, horticulture and forestry; unprocessed artificial resins, unprocessed plastics; manures; fire extinguishing compositions; tempering and soldering preparations; chemical substances for preserving foodstuffs; tanning substances; adhesives used in industry.
- Class 2** Paints, varnishes, lacquers; preservatives against rust and against deterioration of wood; colorants; mordants; raw natural resins; metals in foil and powder form for painters, decorators, printers and artists.
- Class 3** Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.
- Class 4** Industrial oils and greases; lubricants; dust absorbing, wetting and binding compositions; fuels (including motor spirit) and illuminants; candles and wicks for lighting.
- Class 5** Pharmaceutical and veterinary preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides.
- Class 6** Common metals and their alloys; metal building materials; transportable buildings of metal; materials of metal for railway tracks; non-electric cables and wires of common metal; ironmongery, small items of metal hardware; pipes and tubes of metal; safes; goods of common metal not included in other classes; ores.
- Class 7** Machines and machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements other than hand-operated; incubators for eggs.
- Class 8** Hand tools and implements (hand-operated); cutlery; side arms; razors.
- Class 9** Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus.
- Class 10** Surgical, medical, dental and veterinary apparatus and instruments, artificial limbs, eyes and teeth; orthopedic articles; suture materials.
- Class 11** Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes.
- Class 12** Vehicles; apparatus for locomotion by land, air or water.
- Class 13** Firearms; ammunition and projectiles; explosives; fireworks.
- Class 14** Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.

- Class 15** Musical instruments.
- Class 16** Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks.
- Class 17** Rubber, gutta-percha, gum, asbestos, mica and goods made from these materials and not included in other classes; plastics in extruded form for use in manufacture; packing, stopping and insulating materials; flexible pipes, not of metal.
- Class 18** Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.
- Class 19** Building materials (non-metallic); non-metallic rigid pipes for building; asphalt, pitch and bitumen; non-metallic transportable buildings; monuments, not of metal.
- Class 20** Furniture, mirrors, picture frames; goods (not included in other classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerscham and substitutes for all these materials, or of plastics.
- Class 21** Household or kitchen utensils and containers (not of precious metal or coated therewith); combs and sponges; brushes (except paint brushes); brush-making materials; articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building); glassware, porcelain and earthenware not included in other classes.
- Class 22** Ropes, string, nets, tents, awnings, tarpaulins, sails, sacks and bags (not included in other classes); padding and stuffing materials (except of rubber or plastics); raw fibrous textile materials.
- Class 23** Yarns and threads, for textile use.
- Class 24** Textiles and textile goods, not included in other classes; bed and table covers.
- Class 25** Clothing, footwear, headgear.
- Class 26** Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers.
- Class 27** Carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; wall hangings (non-textile).
- Class 28** Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees.
- Class 29** Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats.
- Class 30** Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice.
- Class 31** Agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals, malt.
- Class 32** Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.
- Class 33** Alcoholic beverages (except beers).
- Class 34** Tobacco; smokers' articles; matches.
- Class 35** Advertising; business management; business administration; office functions.
- Class 36** Insurance; financial affairs; monetary affairs; real estate affairs.
- Class 37** Building construction; repair; installation services.
- Class 38** Telecommunications.
- Class 39** Transport; packaging and storage of goods; travel arrangement.
- Class 40** Treatment of materials.
- Class 41** Education; providing of training; entertainment; sporting and cultural activities.
- Class 42** Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; legal services.

**Class 43** Services for providing food and drink; temporary accommodation.

**Class 44** Medical services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture and forestry services.

**Class 45** Personal and social services rendered by others to meet the needs of individuals; security services for the protection of property and individuals.

**EXHIBIT F**

**TESTIMONY OF  
JACQUELINE A. LEIMER,  
PRESIDENT, INTA  
RE: REVISING THE DILUTION ACT**



International Trademark Association  
Representing the Trademark Community since 1878

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## SUBMISSION OF INTA ON REVISING THE DILUTION ACT

*Testimony of Jacqueline A. Leimer, President, International Trademark Association*

*Before the Subcommittee on Courts, the Internet and Intellectual Property  
Committee on the Judiciary  
United States House of Representatives*

April 22, 2004

### I. Introduction

Good morning, Mr. Chairman. My name is Jacqueline A. Leimer. I am chief counsel, global trademark attorney at Pillsbury, Peckham & Firth LLP, and serve as president of the International Trademark Association (INTA). As director of legal affairs, board members and committee members, I serve INTA on a voluntary basis.

INTA supports revision of the Federal Trademark Dilution Act (FTDA)<sup>1</sup> and encourages Congress to pass legislation that will provide greater clarity regarding protection afforded under the statute, better define the standard of proof for dilution, and strengthen protection for free speech interests. INTA's support for the FTDA in this manner comes after a nine-month comprehensive study of dilution law that was undertaken by a select committee of trademark experts. My predecessor as INTA president, Kathryn Barrett Park, chaired the select committee after the U.S. Supreme Court decision in *Moseley v. V Secret Catalogue, Inc.*<sup>2</sup> The court addressed a number of dilution issues, particularly the standard of proof for a dilution claim. I am honored to have chaired the select committee in my capacity then as the executive vice president of INTA.

INTA is a 126-year-old not-for-profit organization comprised of over 4,300 members. It is the largest trademark organization in the world dedicated solely to the interests of trademark owners. The membership of INTA, which crosses all industry lines and includes both manufacturers and retailers, values the essential role that trademarks play in promoting effective commerce, protecting the interests of consumers, and encouraging innovation and fair competition. INTA has a long history of making recommendations to the Congress in connection with federal trademark legislation, including: the Trademark Law Revision Act of 1988 (TLRA)<sup>3</sup>, the Anticybersquatting Consumer Protection Act of 1999<sup>4</sup>, the Trademark Law Treaty<sup>5</sup>, and the Madrid Protocol Implementation Act<sup>6</sup>.

### II. History of the FTDA

INTA was also a prime advocate for passage of the FTDA, which became law on January 16, 1996. INTA's association believed that a federal dilution statute was needed to protect famous marks because "[f]amous marks are enormously valuable but fragile assets, susceptible to irreversible injury from promiscuous use."<sup>8</sup>

The FTDA affords protection that is different from trademark infringement protection. Dilution does not require the standard test of infringement, that is, the likelihood of confusion, deception, or mistake. Rather, the FTDA provides equitable relief to the owner of a famous mark against another person's commercial use of a mark or trade name that lessens the "distinctive quality of the [famous] mark,"<sup>9</sup> "regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake or deception."<sup>10</sup> The statute also sets forth criteria that a court should consider in determining whether a mark is famous; establishes an injunction as the primary form of relief; and provides for statutory defenses to a dilution claim<sup>11</sup>. In 1999, Congress granted holders of famous trademarks the

oppose a trademark application or cancel a trademark registration based on dilution of their marks<sup>1</sup>

### III. The Need for Revision of the FTDA

Since its adoption in 1996, the FTDA has served a valuable role in protecting famous trademarks. From during the earliest days of online commerce, before Congress passed the Anticybersquatting Consumer Protection Act, the FTDA helped to stem the tide of the registration and trafficking in Internet domains with the bad-faith intent to benefit from another's trademark. At the same time, however, after more years, there remain open questions and courts are divided on a number of key dilution-related concepts regarding the intent of Congress when it adopted the FTDA. For example:

(1) What is a famous mark? Some courts have opted to be more "discriminating and selective"<sup>13</sup> in what is protectable, while others have defined fame more broadly<sup>14</sup>. In particular, should marks that are only in a "niche" market and, therefore, well known only to a select class or group of purchasers, or a geographic region, qualify as "famous" within the meaning of the present statute? This too is an unresolved question<sup>15</sup>.

(2) Does the FTDA only protect famous marks that are inherently distinctive, or does it also cover famous marks that have acquired distinctiveness, i.e., gained secondary meaning over time?<sup>16</sup> In trademark law, "distinctiveness" refers to the ability of a mark to identify goods or services as originating from a particular source – either immediately (as in the case of inherently distinctive marks) or only after a significant amount of time or investment (as in the case of marks with acquired distinctiveness).

(3) Whether tarnishment is covered under the FTDA was a question posed by the Supreme Court in the *Moseley* decision. This comment was based on the statutory language "dilution of the distinctive quality of a famous mark," which, in the view of the court, might not go to injury to the reputation of a famous mark. The underlying concept of dilution by tarnishment<sup>17</sup>. Notwithstanding this question, tarnishment, along with dilution by blurring, has long been and is still regarded by trademark scholars as one of the "two different dimensions" of dilution.

(4) Finally, what is dilution and how does a famous trademark owner go about proving it? In *Moseley*, the Supreme Court held that the FTDA requires proof of actual harm and that consumers' mere mental confusion between the famous and challenged marks, whatever its effect on the famous mark, is generally insufficient to establish such harm, particularly when the marks in question are not identical<sup>19</sup>. But, as I will explain, this holding is problematic, as it does not account for the need to prevent dilution at its incipiency, before the effectiveness and reputation of the mark is lost.

These and other key questions, Mr. Chairman, should be answered through a revision of the FTDA that prevents forum shopping or waiting for further costly litigation to provide us with a solution. Congress should take the opportunity to better focus the application of the federal dilution statute, while at the same time clarifying the meaning of the harm the statute aims to prevent, as well as the manner in which a dilution claim is made.

### IV. Revising the FTDA

Below are the principles underlying INTA's recommendation for a revision of the FTDA. To help the subcommittee in its review, I have divided these recommendations into four categories: "Qualifications for Protection," "Blurring and Tarnishment," "Safeguarding Free Speech," and "Relief and Preemption."

#### A. Qualifications for Protection

INTA believes that fame should remain the critical requirement to qualify for federal dilution protection. As Jerome Gilson, a leading U.S. trademark law expert has stated, these marks inspire "abundant good will and consumer loyalty ... and federal dilution law protects the

substantial investment necessary to advertise and promote the mark."<sup>20</sup> A revised dilution statute should expressly state that famous marks with inherent or acquired distinctiveness are eligible for protection, because at least one circuit court of appeals has found enough ambiguity in the current statute to exclude famous marks with acquired distinctiveness<sup>21</sup> and because the current designation that "has achieved trademark status only through the acquisition of secondary meaning is certainly capable of acquiring a greater degree of distinctiveness and achieving

status of 'famous' mark."<sup>22</sup>

While INTA believes that fame should remain the threshold needed in order to qualify for protection under a federal dilution statute, we do suggest that a revised statute should be more explicit as to what marks qualify as "famous." INTA recommends that Congress define the scope of fame as being limited to marks, whether or not they are registered with the U.S. Patent and Trademark Office, that are "widely recognized by the general consuming public of the United States." This standard does narrow the set of marks that would qualify for federal dilution protection. But, in our opinion, it is an appropriate step. This new standard would help to alleviate the "contradictory and inconclusive"<sup>23</sup> nature of the existing statutory language and legislative history on this issue, which has led to inconsistent decision-making and discomfort among some judges who feel compelled to render a finding of fame even though the mark in question is well known to a limited number of people. It will ensure that the broad protection against dilution provided for in the statute are available only to the select class of marks for which improper associations would be most damaging<sup>24</sup>. In addition, we believe this standard would also allow smaller companies to use marks in their businesses without undue restriction.

Under the proposed standard, marks that are famous in a niche product or service market that are recognized only in a limited geographic region will not qualify for federal dilution protection. State dilution laws and, in appropriate cases, infringement and unfair competition statutes, such as § 43(a) of the Lanham Act, will afford adequate protection of the senior user mark in these cases.

INTA considers non-exclusive factors to be a useful guide to mark owners and the judiciary determining whether a mark is famous. The current FTDA fame factors that a court may consider are, but are not limited to:

- (A) the degree of inherent or acquired distinctiveness of the mark;
- (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
- (C) the duration and extent of advertising and publicity of the mark;
- (D) the geographical extent of the trading area in which the mark is used;
- (E) the channels of trade for the goods or services with which the mark is used;
- (F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought;
- (G) the nature and extent of use of the same or similar marks by third parties; and
- (H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.<sup>25</sup>

INTA proposes that the existing fame factors be simplified and replaced as follows:

- (A) the duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties;
- (B) the amount, volume, and geographic extent of sales of goods or services offered under the mark; and
- (C) the extent of actual recognition of the mark.

The first and second factors reflect traditional concepts of marketplace recognition that courts have applied for decades and incorporate some of the existing factors. The third factor, "the extent of actual recognition of the mark," is meant to incorporate survey evidence, market research such as brand awareness studies, and even unsolicited media coverage.

Some of the factors contained in the current statutory test are omitted from INTA's proposal. In the most part, their absence stems from the fact that they are already accounted for in the definition itself, or are, in our view, not relevant to the issue of fame. For example, since INTA's proposed definition of fame specifies that the mark must be "widely recognized by the general consuming public of the United States," the current factors dealing with the geographic extent of use and recognition in the junior user's trading area and channels of trade are no longer necessary. Because the mere existence of a registration is really not relevant at all to the question of fame, we suggest that it be omitted as well.

## **B. Blurring and Tarnishment**

In INTA's opinion, famous marks should be expressly protected by statute from the likelihood that they will be either blurred or tarnished. A revised statute should be clear on what consti

a likelihood of dilution by blurring and what constitutes likelihood of dilution by tarnishment.

### 1. The Incipient Nature of Dilution

First, why should *likelihood* of dilution be actionable as opposed to *actual* dilution? This question was at the heart of the *Moseley* case. In its decision, the Supreme Court ruled, “the text [of the FTDA] unambiguously requires a showing of actual dilution, rather than a likelihood of dilution.”<sup>26</sup> In particular, the court cited Section 43(c)(1) of the Lanham Act, which provides that “the owner of a famous mark” is entitled to injunctive relief against another person’s commercial use of a mark or trade name if that use “causes dilution of the distinctive quality” of the famous mark<sup>27</sup>. The court did, however, hold that proof of actual dilution does not require a showing of the economic consequences of dilution, such as lost sales or revenues<sup>28</sup>.

INTA submits that a dilution cause of action should not require an actual, provable change in the way consumers think about the famous mark. This approach, which the Supreme Court adopted based on the language of the existing FTDA, does not account for the need to prevent dilution at its incipiency, the core concept underlying the dilution remedy. In the opinion of INTA, the owner of a famous mark should be able to obtain an injunction against the first offending use, even if that use has not yet resulted in provable damage to the mark. Because dilution is a process by which the value of a famous mark is diminished over time, either by one or multiple users, the owner of the famous mark should not be required to wait until the harm has advanced so far that, in the case of blurring, the recognition of the mark, and in a tarnishment case, the reputation of the mark, is permanently impaired.

Moreover, if the owner of a famous mark must wait years to challenge the multiple uses that have entered the marketplace in the interim, the defendants in those cases will be poorly served as well. Junior users will have invested in the allegedly diluting marks over the course of time, placing their accrued goodwill in great jeopardy. And, given the great hardship that a junior user could suffer as a result of delay in challenging the marks, a court could apply the laches defense. The present FTDA, as interpreted by the Supreme Court, thus presents the plaintiff with a Hobson’s choice: sue too early and lose because the harm is not yet provable, or sue too late and lose on laches grounds.

Accordingly, the most practical way to express the incipient nature of dilution in a manner a court will understand, is to expressly phrase the cause of action as a likelihood of dilution – that is, that the junior use is likely to cause dilution (whether by blurring or by tarnishment) if allowed to continue unchecked.

### 2. Dilution by Blurring

INTA recommends a new statutory approach to addressing a claim of likelihood of dilution by blurring. We recommend that the statute require the owner of a famous mark to prove a likelihood of association between its mark and the junior mark, arising from the similarity of the marks, which would impair the distinctiveness of the famous mark.

Under this test, not just any mental association will suffice – it must be an association that arises from the similarity (or identity) of the two marks, as opposed to an association that arises because of product similarities or competition between the owners of the two marks. Moreover, it is association that is likely to impair the distinctiveness of the senior mark.

For example, let us assume that the CLOROX mark is “widely recognized by the general consuming public of the United States.” It is a completely made up term, created only for the purpose of functioning as a trademark, not used elsewhere in the commercial arena, and associated only with a supplier of household cleaning products and detergents. If another company begins to produce CLOROX sneakers, there is little question that consumers will draw an association between the two marks due to their identity and the high degree of distinctiveness of the mark. This association will over time reduce the

distinctiveness of the CLOROX mark, i.e., it will make it less likely over time that consumers will identify the goods and services bearing the name CLOROX as originating from a particular source. In short, dilution is highly likely, and indeed is probably already underway, although the impairment to the senior mark may not yet be manifest.

Another situation would be one where the famous, senior mark is not as distinctive as CLOROX or the junior mark is not identical or virtually identical to the senior mark. In this type of situation, courts could use the factors for dilution by blurring (addressed later) to determine whether the requisite association and impairment are likely. The use of the likelihood of dilution standard in INTA's proposal would make clear that relief can be granted based on a court's assessment of the relevant factors, without proof of actual dilution as presently required by the Supreme Court in *Moseley*.

### 3. Blurring Factors

INTA recommends that a revised federal dilution statute contain non-exclusive factors to assist courts in determining whether there is a likelihood of dilution by blurring. A court will need to balance all of these factors, as well as any others it may deem relevant in order to make a determination as to whether there is a likelihood of dilution by blurring. INTA proposes that Congress consider the following:

- (1) The degree of similarity between the junior use and the famous mark.
- (2) The degree of inherent or acquired distinctiveness of the famous mark.
- (3) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.
- (4) The degree of recognition of the famous mark.
- (5) Whether the junior user intended to create an association with the famous mark.
- (6) Any actual association between the junior use and the famous mark.

Factor one is self-evident and refers to step one of the blurring analysis: How similar are the two marks? The less similar the marks, the less likely a consumer association between the marks.

The degree of inherent or acquired distinctiveness of the famous mark considers the extent to which the public may identify the mark with a single source. Further, this factor considers whether the mark is sufficiently strong to allow single-source identification upon initial use of the mark. The more distinctive and memorable the mark, the more it is likely to be blurred by the use of other identical or similar marks. The more common or descriptive the mark, the less likely it is to be blurred by uses of identical or similar marks.

Factor three, the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark, asks the court to determine whether other trademark uses similar to the famous mark already exist in the marketplace. If, for example, the famous mark is in substantially exclusive use, it could indicate that the mark's distinctiveness is more likely to be impaired by the junior use. Conversely, where other similar marks are already in use, it may be somewhat less likely that the junior use will have the effect of blurring the famous mark, unless those uses have little or no visibility to the average consumer.

The degree of recognition is another way of asking, "just how famous is the famous mark?" The more famous the mark, the more likely it will be memorable such that the association will be made, and the more likely that the association will impair the distinctiveness of the mark in the sense of how well it stands out in the marketplace.

If it is found that the defendant intended to trade on the recognition of the famous mark, then the defendant presumably used the junior mark with the expectation that consumers would associate their mark with the famous mark. This factor operates as an admission by the defendant that the senior mark has a sufficient degree of fame such that the mark can be blurred, and that the defendant sought to appropriate that fame to itself in order to direct consumers' attention toward its

own mark.

The last factor, actual association, refers to evidence found in surveys, news items that reference both of the marks, and other evidence that may support a finding that the requisite association between the marks is likely to occur.

#### 4. Dilution by Tarnishment

In light of the ambiguity created by the Supreme Court's comments in the *Moseley* decision, INTA believes that it is important to expressly state in a revised federal dilution statute that tarnishment is within the scope of the law. Owners of famous trademarks should be able to protect their significant investment against negative associations, absent a protectable free speech interest, which is discussed in more detail below. INTA suggests that a revised federal dilution statute find liability for tarnishment if a junior use is likely to harm the reputation of the famous mark. This standard is used in state dilution statutes and most courts have capably adjudicated claims of tarnishment under this standard.

#### C. Safeguarding Free Speech

INTA believes that it is essential when revising the federal dilution law for Congress to confirm that the rights of famous mark owners do not interfere with free speech protections that are guaranteed by the First Amendment. To accomplish this goal, we recommend that a revised dilution statute expressly provide as an essential element of the cause of action for dilution, whether for dilution by blurring or dilution by tarnishment, that the plaintiff demonstrate that the defendant is using the challenged mark as a "designation of source" (e.g., trademark, trade name, logo, etc.) for the defendant's own goods or services.

A requirement of defendant's use as a designation of source will prevent any descriptive fair use<sup>29</sup> or nominative fair use<sup>30</sup> from falling within the ambit of the revised statute. For example, a defendant using a famous mark to refer to the trademark owner's goods in comparative advertising, or a newspaper using the famous mark to refer to the mark owner's goods for purposes of news reporting or commentary, would not qualify as use as a designation of source for the defendant's own goods or services, and therefore would not be covered by the statute. Moreover, the requirement of use as a designation of source for the junior user's own goods or services should protect all legitimate parody and satire, even if that parody and satire appear in a commercial context. It is INTA's strong belief that this requirement is necessary to protect free speech and to ensure that dilution protection is appropriately limited.

The "designation of source" requirement will serve to strengthen the existing statutory defense to a dilution claim:

- (A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.
- (B) Noncommercial use of a mark.
- (C) All forms of news reporting and news commentary<sup>31</sup>.

These defenses, as interpreted and applied by the courts, have worked well to protect parties using famous marks as a form of free expression and should therefore remain part of a revised federal dilution law<sup>32</sup>.

#### D. Relief and Preemption

INTA recommends that an injunction should continue to be the principal form of relief in a federal dilution claim. The plaintiff should continue to be entitled to remedies set forth in Sections 35(a) (profits, damages, and cost of the action) and 36 (destruction of goods bearing the registered mark) of the Lanham Act, subject to the discretion of the court and the principles of equity, if willful intent is proven. However, we suggest that a revised statute specify that in order to recover damages, willful intent to trade on the recognition of the famous mark must be proved for blurring claims, and willful intent to trade on the reputation of the famous mark must be proved for tarnishment claims.

INTA believes that a federal dilution statute should not preempt state dilution laws because preemption would adversely affect the ability of relief for intrastate and regional conduct to

extent permitted under state dilution laws. A valid federal registration should, however, be a complete bar to a state dilution claim. This is the scenario under the FTDA and we recommend that it remain unchanged in a revised federal dilution statute.

## V. Conclusion

Thank you, Mr. Chairman, for the opportunity to testify before the subcommittee. INTA looks forward with Congress and interested parties in addressing issues related to the revision of the FTDA.

1 Pub. L. No. 104-98, 109 Stat. 505 (1995).

2 123 S. Ct. 1115 (2003).

3 See 134 Cong. Rec. S. 16974 (daily ed. Oct. 20, 1988) (Statement of Sen. DeConcini).

4 See, e.g., S. Rep. No. 106-140, 106th Cong. 1st Sess. (1999) (relying on statements by INTA's president made before the Senate Judiciary Committee).

5 See H.R. Rep. No. 412, 106th Cong. 1st Sess. (1999).

6 See Cong. 126 Rec. S. 9690 (daily ed. October 1, 2002) (Statement of Senator Leahy).

7 See H. Rep. No. 104-879, 104th Cong. 2nd Sess. (1997) (noting use of testimony from INTA's ex president).

8 The United States Trademark Association (predecessor to the International Trademark Association) United States Trademark Association Trademark Review Commission Report and Recommendation to the President and Board of Directors," 77 Trademark Rep. 375, 455 (1987).

9 15 U.S.C. § 1125(c).

10 15 U.S.C. § 1127.

11 15 U.S.C. § 1125(c).

12 Pub. L. No. 106-43.

13 *I.P. Lund Trading ApSand Kroin Inc. v. Kohler Co and Robern, Inc.*, 163 F.3d 27, 46 (1st Cir. 1998).

14 See, e.g., *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 215 (2d Cir. 1999) (The term "fame" is "ordinary English language sense" in the FTDA.); *Gazette Newspapers, Inc. v. New Paper, Inc.*, 93 F.3d 688, 690 (D. Md. 1996). In the *Gazette* case, "the court applied the FTDA to protect the use of 'Gazette' in two counties in Maryland. The court failed to recognize, however, that there are at least seven major newspapers around the country that use 'Gazette' in their titles." Paige Dollinger, "The Federal Trademark Dilution Act: How Famous is Famous?," citations omitted.

15 Cases supporting niche fame, see, e.g., *Advantage Rent-A-Car, Inc. v. Enterprise Rent-A-Car, Inc.*, 237 F.3d 378, 381 (5th Cir. 2001) ("Enterprise needed only to show that its 'We'll Pick You Up' mark is famous in the car rental industry, not in a broader market."); *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894 (9th Cir. 2002) ("We are bound by *Avery Dennison*, 189 F.3d 868 (9th Cir. 1999), to accept and apply the niche fame concept."). Not in support of niche fame, see, e.g., *TCPIP Holding Co. v. Haar Comms., Inc.*, 244 F.3d 88, 95 (2d Cir. 2001) (It is unlikely that "Congress intended to grant such outright exclusivity to marks that are famous in a small area or segment of the nation."); *I.P. Lund Trading ApSand Kroin Inc. v. Kohler Co and Robern, Inc.*, 163 F.3d 27 (1st Cir. 1998).

16 See, e.g., *TCPIP Holding Co. v. Haar Comms., Inc.*, 244 F.3d 88, 95 (2d Cir. 2001) (ruling that protection under the FTDA is limited to famous marks that are inherently distinctive); *Avery Dennison Corp. v. TCPIP Holding Co.*, 189 F.3d 868, 877 (9th Cir. 1999) ("We reject appellant's argument that the distinctiveness required for protection under the Federal Trademark Dilution Act is inherent, not merely acquired distinctiveness."); *Mirror Magazine, Inc. v. Las Vegas Sporting News LLC*, 212 F.3d 157, 167 (3d Cir. 2000) (holding that marks that have acquired distinctiveness are eligible for protection under the FTDA).

17 123 S. Ct. 1115, 1124 (2003).

18 4 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition §24:67, at 24-128 (4th ed. 2002). See also 2 Jerome Gilson, *Trademark Protection and Practice* § 5A.01[2], at 5A-7 (Rel. 50-December 2003).

19 *Moseley v. V Secret Catalogue, Inc.*, 123 S. Ct. 1115, 1124 (2003).

20 2 Gilson, supra note 18, § 5A.01[4][a], at 5A-10.

21 *TCPIP Holding Co. v. Haar Comms., Inc.*, 244 F.3d 88, 95 (2d Cir. 2001).

22 4 McCarthy, supra note 18, § 24:91.1, at 24-166 (commenting on existing FTDA) (citation omitted).

23 *Id.*, §24:112.1, at 24-273.

24 Dilution cases are not limited by similarities of the goods, or confusion, or other marketplace factors. "Dilution ... will generally sweep across broad vistas of the economy." *Mattel, Inc. v. MCA Inc.*, 296 F.3d 894, 905 (9th Cir. 2002).

25 15 U.S.C. § 1125(c)(1).

26 *Moseley v. V Secret Catalogue, Inc.*, 123 S. Ct. 1115, 1124 (2003).

27 *Id.* (emphasis added).

28 *Id.* (commenting on the ruling of the Fourth Circuit in *Ringling Bros. - Barnum & Bailey Combine Incorporated v. Utah Division of Travel Development*, 170 F.3d 449 (4th Cir. 1999)).

29 Descriptive fair use (or classic fair use) is the use of a normal English word in its normal English

describe one's own product or service.

30 Nominative fair use is when the alleged infringer uses the plaintiff's mark to refer to the plaintiff's goods. It generally applies (a) where the mark is reasonably needed to identify the mark owner's goods or services, (b) where the use is not more than is needed to identify the mark owner services, and (c) where there is no implication of endorsement. See, e.g., *New Kids on the Block v. Publ'g, Inc.*, 971 F.2d 302 (9th Cir. 1992).

31 15 U.S.C. § 1125(c)(4).

32 See, e.g., *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002); *American Family Life Co. v. Hagan*, 64 U.S.P.Q.2d 1865, 1874-75. In these cases, both courts provided a broad applicat FTDA's noncommercial exemption.

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