

# **Understanding the Proposed Registration and Protection of Trademarks Act**

Prepared 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)

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## **Background**

Florida's present trademark statute, §§ 495.011-495.181, Fla. Stat., was enacted in 1967, Ch. 67-58, Laws of Fla. The statute was based on the International Trademark Association's ("INTA") 1964 Model State Trademark Bill ("MSTB"). (INTA was then known as the United States Trademark Association). The statute was last amended substantively in 1990, when the Florida legislature added a name reservation provision to the law.

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." INTA subsequently amended the dilution provision of the MSTB to make it consistent with the Federal Trademark Dilution Act of 1996. INTA reports that the MSTB has been adopted in 26 states.

In early 2005, Senator Campbell and Representative Galvano introduced S.B. 678 and H.B. 845, which incorporated the MSTB in most respects. On March 9, 2005, a subcommittee of the Florida Bar Business Law Section, Intellectual Property Law Committee provided Senator Campbell and Representative Galvano with a Technical Input Memorandum, highlighting many issues that the committee felt warranted attention before adopting the bills as law. The present proposal is based upon the MSTB and the comments contained in the Technical Input Memorandum.

## **Highlights of Proposed Amendments**

1. 495.001 - Popular Name. The amendment would entitle Chapter 495 "Registration and Protection of Trademarks Act."
2. 495.011 - Definitions. The amendment would revise many of the definitions in the present statute to conform to the definitions contained in the Federal Trademark Act (the "Lanham Act"). In contrast to the MSTB, which does not provide for the protection of collective and certification marks, the proposed amendment retains the definitions for such marks. The amendment also follows the federal standard for determining abandonment, namely nonuse for 3 consecutive years as opposed to 2 years, as provided for in the MSTB.

3. 495.021 - Registrability. The amendment revises the registrability provisions of the statute to be more consistent with the Lanham Act. It should be noted that the amendment does not include the Lanham Act's restrictions arising under international treaties, such as the Uruguay Round Agreement and NAFTA, although principles of preemption would likely preclude the state from registering marks that would otherwise be unregistrable under Federal law. Among the reasons for not including this restrictive language is to avoid having to amend the state law in the event Federal law on the subject changes in the future. Finally, and consistent with common law principles of "use," the proposed amendment retains the provision that "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 MSTB has no corresponding provision.
4. 495.027 - Reservation. The amendment deletes the name reservation provision contained in the current statute. This provision was an attempt to provide protection similar to the protection afforded under the federal intent-to-use law, except that the state provision did not offer substantive rights. As a result, certain practitioners feel that the provision may create more of a burden than a benefit, and accordingly the act omits it.
5. 495.031 - Application for Registration. The amendment rewrites the provisions of the statute governing trademark application requirements. Although considered, the changes do not include a provision allowing for the designation by a non-resident applicant of 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). The proposed amendment also does not include the provision of the MSTB that would have allowed the Department of State to require that the applicant provide information regarding filings (if any) with the United States Patent and Trademark Office because of a concern over potential liability that might arise from the innocent failure to provide such information and its possible irrelevance.
6. 495.035 - Filing of Applications. The amendment creates a new § 495.035, governing the examination of applications. Proposed § 495.035(6) expressly provides that an applicant may seek review of a refusal to register a mark under the Administrative Procedure Act. This should clear up confusion among applicants and practitioners concerning the procedure for seeking review of a final agency action refusing registration.
7. 495.041 – Use By Related Companies. The amendment revises the provision of the statute regarding use of a mark by related companies to be consistent with Section 5 of the Lanham Act, 15 U.S.C. § 1055. The amendment adds the following language: "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."
8. 495.061 - Certificates of Registration. The amendment makes technical revisions to the language of § 495.061. It also deletes the provision applicable to the name reservation section.
9. 495.071 - Duration and Renewal. Consistent with the MSTB, the amendment shortens the renewal period of a registration from 10 years to 5 years. The purpose of the amendment is to

“reduce the number of ‘deadwood’ registrations.” (See INTA White Paper, § 6.) Although federal law provides for 10 year renewals, there is also a provision in the federal law requiring registrants to file an affidavit of use during the fifth year of the registration. No other state appears to have adopted a similar provision, and it would appear more economical and less burdensome on the Department of State to simply provide for 5 year renewals.

10. 495.081 - Assignments; Change of Name; Security Interests. The amendment adds a provision allowing for the recordation of a name change. The amendment does not include the MSTB’s provision that would have allowed for the recordation of other instruments affecting a mark, such as licenses, security interests, mortgages, etc. Instead, the amendment specifies that “Security interests in marks shall be created and perfected in accordance with the Uniform Commercial Code – Secured Transactions, chapter 679.”

11. 495.091 - Records. The amendment includes a provision for record keeping of all documents recorded pursuant to Section 495.081.

12. 495.101 - Cancellation. The amendment makes technical changes to the language of § 495.101 regarding the basis for cancellation of a registration consistent with the Lanham Act.

13. 495.111 - Classification. The amendment expressly adopts the updated International Trademark Classification System. It also adopts the United States Patent and Trademark Office’s system for classifying certification and collective membership marks. The Department of State prefers that the classes be specified by statute rather than by reference to the International Classification system.

14. 495.131 - Infringement. The amendment revises the language of § 495.131 in regard to the recovery of profits and damages consistent with the corresponding provision of the Lanham Act, 15 U.S.C. § 1114(1)(b).

15. 495.141 - Remedies. The amendment adds a prevailing party attorney’s fee provision which would give the court discretion to award attorney’s fees to the prevailing party “according to the circumstances of the case.” There is concern that the Lanham Act’s “exceptional case” standard may create more ambiguity and uncertainty. Although the MSTB attempted to set forth an actual standard for the award of attorney’s fees, the standard was only applicable to a prevailing plaintiff: “where the court finds the other party committed such wrongful acts with knowledge or in bad faith.” The prevailing party standard is intended to provide a more even handed approach than the exceptional case standard, and it is hoped would more readily encourage settlement in litigation for both sides.

16. 495.145 - Forum for Actions Regarding Registrations. The amendment creates a new provision specifying the venue for cancellation actions and clarifying that the Department of State need not be made a party to such actions. This provision is intended to clear up confusion among applicants and practitioners concerning the procedure in cancellation proceedings.

17. 495.151 - Dilution. The amendment would amend the present dilution statute, § 495.151, to bring it more in line with federal law with regard to “fame,” 15 U.S.C. § 1125(c), but it would

retain Florida's present standard requiring that a plaintiff need only prove *likelihood* of dilution rather than actual dilution. Although the present standard for liability under federal case law is "actual dilution," *see Mosely v. V. Secret Catalogue, Inc.*, 537 U.S. 418 (2003), the trademark bar appears to favor a "*likelihood* of dilution" standard. As such, the proposed amendment reflects this preferred standard consistent with Florida's current statute. The amendment also provides that the owner of a registered mark would be entitled to recover damages, whereas a plaintiff who does not own a registration would be limited to injunctive relief.

18. 495.171 - Effective Date; Repeal of Prior Acts. The amendment would expressly repeal §§ 506.06 – 506.13, Fla. Stat. (the only remaining provisions of Florida's Stamped or Marked Containers and Baskets Law).

19. 495.181 – Construction of chapter. The amendment notes that since the intent of the chapter is to provide a system of state trademark registration and protection substantially consistent with the federal system of trademark registration and protection, construction given the federal act should be examined as persuasive authority for interpreting and construing this chapter. This would not, of course, be applicable where the state statute is inconsistent with Federal law, such as with regard to the prevailing party attorney's fee provision and the likelihood of dilution standard.

20. 49.191 – Fees. The amendment would specify in one section all applicable trademark filing fees. Such fees would remain at their current level.