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SENATE BILL NO. 577

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee for Courts of Justice
on February 29, 2008)

(Patron Prior to Substitute—Senator Saslaw)

A BILL to amend and reenact §§ 59.1-92.2, 59.1-92.12, and 59.1-92.13 of the Code of Virginia, relating to the registration and protection of trademarks and service marks; penalties.

Be it enacted by the General Assembly of Virginia:

1. That §§ 59.1-92.2, 59.1-92.12, and 59.1-92.13 of the Code of Virginia are amended and reenacted as follows:

§ 59.1-92.2. Definitions.

As used in this chapter, the following words shall have the following meanings:

"Abandoned" means either (i) the discontinuance of use of a mark with intent not to resume such use ("intent not to resume" may be inferred from circumstances, i.e., nonuse for three consecutive years shall constitute prima facie evidence of abandonment) or (ii) any course of conduct of the owner, including acts of omission as well as commission, which causes the mark to lose its significance as a mark.

"Applicant" means any person filing an application for registration of a mark under this chapter, and the legal representatives, successors, or assigns of such person.

"Commission" means the State Corporation Commission.

"Mark" means any trademark or service mark registered in the Commonwealth or the United States Patent and Trademark Office, or entitled to registration under this chapter, whether registered or not.

"Registrant" means any person to whom the registration of a mark under this chapter or prior law is issued, and the legal representatives, successors, or assigns of such person.

"Service mark" means any word, name, symbol, or device or any combination thereof used by a person to identify and distinguish the services of such person from the services of others.

"Trade name" means any name used by a person to identify a business or enterprise.

"Trademark" means any word, name, symbol, or device or any combination thereof used by a person to identify and distinguish the goods of such person from those manufactured or sold by others.

"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 chapter, a mark shall be deemed to be in use (i) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and the goods are sold or otherwise distributed in commerce in this the Commonwealth, and (ii) in connection with services when it is used or displayed in the course of selling or providing services in this the Commonwealth, or advertising descriptive of services available within this the Commonwealth that is communicated within or into this the Commonwealth.

§ 59.1-92.12. Infringement.

Subject to the provisions of § 59.1-92.15, any person who:

1. Uses in this Commonwealth in a manner likely to cause a consumer confusion, mistake, or deception as to the source or origin of any goods or services, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of a registered mark registered under this chapter or prior law in connection with the sale, offering for sale, distribution, or advertising of any such 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 or origin of such goods or services; or

2. Reproduces, counterfeits, copies or colorably imitates a registered mark and applies such reproduction, counterfeit, copy or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements, or any item intended to be used in this Commonwealth in a manner likely to cause a consumer confusion, mistake, or deception as to the source or origin of any goods or services in connection with the sale, offering for sale, distribution, or advertising of any such goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive, shall be liable in a civil action by the registrant for any and all of the remedies provided in § 59.1-92.13, except that under this subdivision the registrant shall not be entitled to recover profits, damages, or attorneys' fees unless the acts have been committed with knowledge that such mark is intended to be used to cause confusion or mistake or to deceive.

§ 59.1-92.13. Remedies and penalties.

A. Any registrant of a mark in force and effect may proceed by suit in a court of competent jurisdiction to enjoin violations of § 59.1-92.12 and/or seek such other remedies as are set forth herein. Any court of competent jurisdiction may grant such injunctions as may by the court be deemed just and

60 reasonable to restrain such violations, and may require any defendant to pay to such registrant all profits
61 derived from and/or all damages suffered by reason of such violations. The court ~~may~~ *shall* also order
62 that any material that violates § 59.1-92.12 that is in the possession or under the control of any
63 defendant in such case be destroyed, or delivered to an officer of the court or to the registrant for
64 destruction, *or alternatively disposed of in another manner with the written consent of the registrant.*
65 The court, in its discretion upon consideration of the circumstances of the case, may award reasonable
66 attorneys' fees to the prevailing party.

67 B. Any person who ~~knowingly~~:

68 1. *Knowingly* and intentionally violates the provisions of § 59.1-92.12 ~~shall be~~ *is* guilty of a Class 2
69 1 misdemeanor and, upon a second or subsequent conviction, ~~shall be~~ *is* guilty of a Class 6 felony.

70 2. *Knowingly and intentionally violates the provisions of § 59.1-92.12 and possesses 100 or more*
71 *identical counterfeit registered marks or possesses counterfeit items valued at \$200 or more, is guilty of*
72 *a Class 6 felony.*

73 C. *Property subject to lawful seizure by any officer charged with enforcing this chapter shall include*
74 *any article bearing or consisting of a counterfeit mark used in violation of this chapter, any property*
75 *used in the substantial connection with or intended for use in the course of a violation of this chapter,*
76 *or any interest or profits substantially connected to a violation of this chapter. Forfeiture, seizure, and*
77 *disposition of such property shall be in accordance with Chapter 22.1 (§ 19.2-386.1 et seq.) of Title*
78 *19.2.*

79 D. *In any proceeding under this chapter, any certificate of registration issued by the Commonwealth*
80 *or the United States Patent and Trademark Office shall be prima facie evidence of the facts stated*
81 *therein.*

82 2. **That the provisions of this act may result in a net increase in periods of imprisonment or**
83 **commitment. Pursuant to § 30-19.1:4, the estimated amount of the necessary appropriation cannot**
84 **be determined for periods of imprisonment in state adult correctional facilities and cannot be**
85 **determined for periods of commitment to the custody of the Department of Juvenile Justice.**