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## HOUSE BILL NO. 2148

Offered January 12, 2011

Prefiled January 12, 2011

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 trademark infringement.

Patrons—Cline and Athey

Referred to Committee for Courts of Justice

**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 *possessed in the Commonwealth* or sold or otherwise distributed in commerce in the Commonwealth, and (ii) in connection with services when it is used or displayed in the course of selling or providing services in the Commonwealth, or advertising descriptive of services available within the Commonwealth that is communicated within or into the Commonwealth.

§ 59.1-92.12. Infringement.

Subject to the provisions of § 59.1-92.15, any person who: ~~1. Uses~~ (i) *uses* 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~~ owner of a registered mark, any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of such goods or services; or ~~2. Reproduces~~ (ii) *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, advertisements, or any item intended to be used 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 such goods or services; shall be liable in a civil action by the ~~registrant~~ owner of a registered mark for any and all of the remedies provided in § 59.1-92.13, except that under this subdivision the ~~registrant~~ owner shall not be entitled to recover profits, damages, or ~~attorneys'~~ attorney 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~~ owner of a registered 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, *or both*. Any court of competent jurisdiction may grant such injunctions as may by the

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

66 B. Any person who:

67 1. Knowingly and intentionally violates the provisions of § 59.1-92.12 is guilty of a Class 1  
68 misdemeanor and, upon a second or subsequent conviction, is guilty of a Class 6 felony.

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

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

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

81 *E. In any criminal proceeding under subsection B, upon motion of the Commonwealth the court shall*  
82 *order any material that violates § 59.1-92.12 that is in the possession or under the control of any*  
83 *defendant or law-enforcement officer be destroyed or delivered to an officer of the court or to the owner*  
84 *of the registered mark for destruction or alternatively disposed of in another manner with the written*  
85 *consent of the owner of the registered mark.*