

VIRGINIA ACTS OF ASSEMBLY -- 1998 RECONVENED SESSION

CHAPTER 819

An Act to amend the Code of Virginia by adding in Title 59.1 a chapter numbered 6.1, consisting of sections numbered 59.1-92.1 through 59.1-92.21, and to repeal Chapter 6 (§§ 59.1-77 through 59.1-92) of Title 59.1 of the Code of Virginia, relating to trademarks; penalties.

[H 264]

Approved April 22, 1998

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 59.1 a chapter numbered 6.1, consisting of sections numbered 59.1-92.1 through 59.1-92.21, as follows:

CHAPTER 6.1.

REGISTRATION AND PROTECTION OF TRADEMARKS AND SERVICE MARKS.

§ 59.1-92.1. Short title.

This chapter shall be known as the "Virginia Trademark and Service Mark Act (1998)."

§ 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 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 Commonwealth, and (ii) in connection with services when it is used or displayed in the course of selling or providing services in this Commonwealth, or advertising descriptive of services available within this Commonwealth that is communicated within or into this Commonwealth.

§ 59.1-92.3. 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 consists of or comprises:

- 1. Any immoral, deceptive or scandalous matter;*
- 2. Any matter which may falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute;*
- 3. 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;*
- 4. The name, signature or portrait identifying a particular living individual, except by the individual's written consent;*

5. A mark which (i) when used on or in connection with the goods or services of the applicant, is merely descriptive or deceptively misdescriptive of them; (ii) when used on or in connection with the goods or services of the applicant, is primarily geographically descriptive or deceptively misdescriptive of them; or (iii) is primarily merely a surname; however, nothing in this subdivision shall prevent the registration of a mark used by the applicant which has become distinctive in this Commonwealth of the applicant's goods or services. The Commission may accept as prima facie 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 Commonwealth for the five years before the date of the application for registration; or

6. A mark which so resembles a mark registered in this Commonwealth or a trademark, service mark or trade name previously used in this Commonwealth 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.

§ 59.1-92.4. Application for registration.

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

1. The name and business address of the person applying for such registration; and, if a corporation, limited liability company, partnership, limited liability partnership, or any other legal entity, the state or other jurisdiction of incorporation, formation, or organization, as the case may be;

2. The goods or services on or in connection with which the mark is used and the 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;

3. The date when the mark was first used anywhere and the date when it was first used in this Commonwealth by the applicant or a predecessor in interest; and

4. A statement that the applicant is the owner of the mark, that the mark is in use in this Commonwealth, and that, to the knowledge of the person verifying the application, no other person has registered the mark in this Commonwealth, or has the right to use such mark in this Commonwealth 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 mistake, or to deceive.

The Commission may also require that a drawing of the mark, complying with such requirements as the Commission 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 person authorized by the applicant to make the application.

The application shall be accompanied by a specimen showing the mark as actually used.

The application shall be accompanied by a nonrefundable application fee.

§ 59.1-92.5. Filing of applications.

A. Upon the filing of an application for registration and payment of the application fee, the Commission shall cause the application to be examined for conformity with this chapter.

B. The applicant shall provide any additional relevant information requested by the Commission, including a description of a design mark, and may make, or authorize the Commission to make, such amendments to the application as may be reasonably requested by the Commission or deemed by the applicant to be advisable to respond to any rejection or objection.

C. The Commission may require the applicant to disclaim any unregistrable component of a mark otherwise registrable, and an applicant may voluntarily disclaim any component of a mark sought to be registered. No disclaimer shall prejudice or affect the applicant's or registrant's common law 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 is or has become distinctive of the applicant's or registrant's goods or services.

D. Amendments to the application may be made by the Commission with the applicant's consent.

E. If the applicant is found not to be entitled to registration, the Commission shall notify the applicant thereof in writing and of the reasons therefor. The applicant shall have ninety days from the date of the Commission's notice to make a bona fide reply, or to amend the application, in which event the application shall then be reexamined. This procedure may be repeated until (i) the Commission finally refuses registration of the mark or (ii) the applicant fails to reply or amend within the specified period, whereupon the request for registration shall be deemed to have been finally refused.

§ 59.1-92.6. Certificate of registration.

Upon compliance by the applicant with the requirements of this chapter, the Commission shall cause a certificate of registration to be issued and delivered to the applicant. The certificate shall show (i) the name and business address of the registrant and, if a corporation, limited liability company, partnership, limited liability partnership, or any other legal entity, the state or other jurisdiction of incorporation, formation, or organization, as the case may be; (ii) the date claimed for the first use of the mark anywhere and the date claimed for the first use of the mark in this Commonwealth; (iii) the class of goods or services and a description of the goods or services on or in connection with which the mark is used; (iv) a reproduction of the mark; and (v) the registration date and the term of the registration.

Any certificate of registration issued by the Commission under the provisions hereof or a copy thereof duly certified by the clerk of the Commission shall be prima facie evidence of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark within the Commonwealth on or in connection with the goods or services specified in the certificate, and 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 Commonwealth.

§ 59.1-92.7. Duration and renewal.

A registration of a 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 Commission, the registration may be renewed for a like term from the end of the expiring term. A renewal fee 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 chapter becomes effective shall continue in full force and effect for the unexpired term thereof and may be renewed for five years by filing with the Commission, within six months prior to the expiration of the registration, an application for renewal complying with the requirements of the Commission and paying the aforementioned renewal fee therefor.

All applications for renewal under this chapter, whether of registrations made under this chapter or of registrations effected under any prior law, 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.

§ 59.1-92.8. Assignments and changes of name.

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 filed with the Commission upon the payment of a fee. The Commission 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 chapter shall be void as against any subsequent purchaser for valuable consideration without notice, unless it is filed with the Commission within three months after the date of the assignment or prior to such subsequent purchase.

B. Any applicant effecting a change of name may file a certificate of name change with the Commission upon the payment of a fee. The Commission shall prescribe the form and content of such certificate. If the Commission issues a registration based on such applicant's request for registration, the registration shall issue in the new name of the applicant.

C. Any registrant effecting a change of name may file a certificate of name change with the Commission upon the payment of a fee. The Commission shall prescribe the form and content of such certificate. The Commission shall issue in the new name of the registrant a new certificate of registration for the remainder of the term of the registration or last renewal thereof.

D. A photocopy of any instrument referred to in this section shall be accepted for filing if it is certified by any of the parties thereto, or their successors, to be a true and correct copy of the original.

§ 59.1-92.9. Records.

The Commission shall keep for public examination a record of all marks registered or renewed under this chapter, as well as a record of all documents filed pursuant to § 59.1-92.8.

§ 59.1-92.10. Cancellation.

A. The Commission shall cancel, in whole or in part:

1. Any registration concerning which the Commission shall receive a voluntary request for cancellation thereof from the registrant or the assignee of record;

2. Any registration granted under this chapter or prior law and not renewed in accordance with the provisions hereof; or

3. Any registration concerning which the Commission shall find on its own motion, or on petition of any person who alleges that he is or will be damaged by such registration, that:

a. The registered mark has been abandoned;

b. The registrant is not the owner of the mark;

c. The registration was granted as a result of a clerical error;

d. The registration was obtained fraudulently;

e. The mark is or has become the generic name for the goods or services, or a portion thereof, for which it has been registered; or

f. There is a substantial likelihood of confusion with a mark or trade name previously used in this Commonwealth by another and not abandoned.

B. The Commission may also cause a partial cancellation of a registration by requiring the registrant to amend the registration to adopt a narrower identification of goods or services than is identified in the original certificate.

C. Before the Commission cancels or partially cancels any registration under subdivision A 3, the Commission shall give reasonable notice and an opportunity to be heard to the registrant and to other persons known to have or claim an interest in the mark.

§ 59.1-92.11. Classification.

The Commission shall by regulation establish a classification of goods and services for convenience of the administration of this chapter, 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 in connection 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 Commission 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.

§ 59.1-92.12. Infringement.

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

1. Uses in this Commonwealth, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of a mark registered under this chapter or prior law in connection with the sale, offering for sale, distribution, 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 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 intended to be used in this Commonwealth in connection with the sale, offering for sale, distribution, 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, 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 subdivision 2 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.

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 reasonable to restrain such violations, and may require any defendant to pay to such registrant all profits derived from and/or all damages suffered by reason of such violations. The court may also order that any material that violates § 59.1-92.12 that is in the possession or under the control of any defendant in such case be destroyed, or delivered to an officer of the court or to the registrant for destruction. The court, in its discretion upon consideration of the circumstances of the case, may award reasonable attorneys' fees to the prevailing party.

B. Any person who knowingly and intentionally violates the provisions of § 59.1-92.12 shall be guilty of a Class 2 misdemeanor and, upon a second or subsequent conviction, shall be guilty of a Class 6 felony.

§ 59.1-92.14. Service on out-of-state registrants.

In any action brought against a nonresident registrant, service may be effected upon the clerk of the Commission as agent for service of the registrant in accordance with the procedures established in § 12.1-19.1.

§ 59.1-92.15. Common law rights.

Nothing herein shall adversely affect the rights or the enforcement of common law rights in marks.

§ 59.1-92.16. Fees.

The Commission shall by regulation prescribe the fees payable for the various application and filing fees and for related services. Unless specified by the Commission, the fees payable herein are not refundable.

§ 59.1-92.17. Commission may consider final judgments.

In any proceeding before the Commission involving the right to registration, or the cancellation of registration, in whole or in part, the final judgment of a court of record involving the right to use the mark, in whole or in part, may be offered in evidence to the Commission or filed with the Commission by any party to the registration or cancellation proceeding before the Commission. The Commission may consider the judgment of the court in determining what action it should take with respect to the registration or cancellation involved.

§ 59.1-92.18. Appeals from final action of Commission.

From any final action of the Commission under the provisions of this chapter an appeal shall lie of right to the Supreme Court in accordance with the provisions of §§ 12.1-39 through 12.1-41.

§ 59.1-92.19. Regulations and forms.

A. The Commission shall have authority from time to time to make, amend, and rescind such regulations as may be necessary to carry out the provisions of this chapter, including regulations and forms governing applications, registrations, assignments, renewals, and fees, and defining technical and trade terms used in this chapter insofar as such definitions are not inconsistent with the provisions of this chapter. For the purpose of regulations and forms, the Commission may classify persons and matters within its jurisdiction and prescribe different requirements for different classes.

B. All such regulations and forms shall be made available for distribution at the office of the Commission.

C. No provision of this chapter imposing any liability shall apply to any act done or omitted in conformity with any regulation of the Commission, notwithstanding that such regulation may, after such

act or omission, be amended, rescinded, or found for any reason to be invalid.

§ 59.1-92.20. Fees to cover expense of regulation.

The fees paid into the state treasury under this chapter, except for fees and funds collected for the Literary Fund, shall be deposited into a special fund and specifically accounted for and used by the Commission to defray the costs of supervising, implementing, and administering the provisions of this chapter, Chapters 5 (§ 13.1-501 et seq.) and 8 (§ 13.1-557 et seq.) of Title 13.1, and Chapter 7 (§ 59.1-93 et seq.) of this title. Included in the Commission's costs shall be a reasonable margin in the nature of a reserve fund. All excesses of fees collected exceeding these costs shall revert to the general fund.

§ 59.1-92.21. Olympic symbols.

A. Without the permission of the United States Olympic Committee, a person shall not, for the purpose of trade, to induce the sale of goods or services, or to promote a theatrical exhibition, athletic performance, or competition, use:

- 1. The symbol of the International Olympic Committee, consisting of five interlocking rings;*
- 2. The emblem of the United States Olympic Committee, consisting of an escutcheon having a blue chief and vertically extending red and white bars on the base with five interlocking rings displayed on the chief;*
- 3. A trademark, trade name, sign, symbol, or insignia falsely representing association with or authorization by the International Olympic Committee or the United States Olympic Committee; or*
- 4. The words "Olympic," "Olympiad," or "Citius Altius Fortius" or a combination or simulation of those words that tends to cause confusion or mistake, to deceive, or to suggest falsely a connection with the United States Olympic Committee or an Olympic activity.*

B. Any person who actually used the emblem described in subdivision A 2, or the words, or any combination thereof, described in subdivision A 4, for any lawful purpose prior to September 21, 1950, shall not be prohibited by this section from continuing such lawful use for the same purpose and for the same goods or services. In addition, any person who actually used, or whose assignor actually used, any other trademark, trade name, sign, symbol, or insignia described in subdivisions A 3 and A 4 for any lawful purpose prior to September 21, 1950, shall not be prohibited by this section from continuing such lawful use for the same purpose and for the same goods or services.

C. On violation of subsection A, the United States Olympic Committee is entitled to the remedies available to a registrant on infringement of a mark registered under this chapter.

2. That Chapter 6 (§§ 59.1-77 through 59.1-92) of Title 59.1 of the Code of Virginia is repealed.

3. That the provisions of this act may result in a net increase in periods of imprisonment in state correctional facilities. Pursuant to § 30-19.1:4, the estimated amount of the necessary appropriation is \$0.

4. That the provisions of this act apply prospectively to all causes of action accruing on or after July 1, 1998, but shall not affect any application for trademark or service mark filed before July 1, 1998, and then pending with the State Corporation Commission.