

973522633

SENATE BILL NO. 1084

Offered January 20, 1997

A BILL 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 59.1-92.19, and to repeal Chapter 6 (§§ 59.1-77 through 59.1-92) of Title 59.1 of the Code of Virginia, relating to trademarks.

Patron—Colgan

Referred to the Committee on Commerce and Labor

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 59.1-92.18 as follows:

CHAPTER 6.1.**REGISTRATION AND PROTECTION OF TRADEMARKS, SERVICE MARKS, AND CASE MARKS.****§ 59.1-92.1. Definitions.**

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

"Applicant" embraces the 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.

"Dilution" means the lessening of the capacity of a famous mark to identify and distinguish goods or services, 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.

"Mark" includes any trademark or service mark, entitled to registration under this chapter whether registered or not. For purposes of this chapter, a mark shall be deemed to be "abandoned" 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. A mark shall also be deemed to be abandoned 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.

"Registrant" embraces the person to whom the registration of a mark under this chapter 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 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.

"Trade name" means any name used by a person to identify a business or vocation of such person.

"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, 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.

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

§ 59.1-92.2. 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:

1. Consists of or comprises immoral, deceptive or scandalous matter;

2. 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;

3. 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;

4. Consists of or comprises the name, signature or portrait identifying a particular living individual,

INTRODUCED

SB1084

60 *except by the individual's written consent;*

61 5. Consists of a mark which, (i) when used on or in connection with the goods or services of the
62 applicant, is merely descriptive or deceptively misdescriptive of them, (ii) when used on or in connection
63 with the goods or services of the applicant is primarily geographically descriptive or deceptively
64 misdescriptive of them, or (iii) is primarily merely a surname; however, nothing in this subdivision shall
65 prevent the registration of a mark used by the applicant which has become distinctive of the applicant's
66 goods or services. The Commission may accept as evidence that the mark has become distinctive, as
67 used on or in connection with the applicant's goods or services, proof of continuous use thereof as a
68 mark by the applicant in the Commonwealth for the five years before the date on which the claim of
69 distinctiveness is made; or

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

73 § 59.1-92.3. Application for registration.

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

77 1. The name and business address of the person applying for such registration; and, if a
78 corporation, the state of incorporation, or if a partnership, the state in which the partnership is
79 organized and the names of the general partners, as specified by the Commission;

80 2. The goods or services on or in connection with which the mark is used and the mode or manner
81 in which the mark is used on or in connection with such goods or services and the class in which such
82 goods or services fall;

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

85 4. A statement that the applicant is the owner of the mark, that the mark is in use, and that, to the
86 knowledge of the person verifying the application, no other person has registered, either federally or in
87 this Commonwealth, or has the right to use such mark either in the identical form thereof or in such
88 near resemblance thereto as to be likely, when applied to the goods or services of such other person, to
89 cause confusion, or to cause mistake, or to deceive.

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

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

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

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

102 The application shall be accompanied by the application fee payable to the State Corporation
103 Commission.

104 § 59.1-92.4. Filing of applications.

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

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

111 C. The Commission may require the applicant to disclaim an unregistrable component of a mark
112 otherwise registrable, and an applicant may voluntarily disclaim a component of a mark sought to be
113 registered. No disclaimer shall prejudice or affect the applicant's or registrant's rights then existing or
114 thereafter arising in the disclaimed matter, or the applicant's or registrant's rights of registration on
115 another application if the disclaimed matter is or has become distinctive of the applicant's or
116 registrant's goods or services.

117 D. Amendments may be made by the Commission upon the application submitted by the applicant
118 upon applicant's agreement, or a fresh application may be required to be submitted.

119 E. If the applicant is found not to be entitled to registration, the Commission shall advise the
120 applicant thereof and of the reasons therefor. The applicant shall have a reasonable period of time
121 specified by the Commission in which to 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 application shall be deemed to have been abandoned.

F. If the Commission 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 Commission, 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 Commission seeking registration of the same or confusingly similar marks for the same or related goods or services, the Commission 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 § 59.1-92.9.

§ 59.1-92.5. 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 of registration shall be issued under the signature of the Commission, 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 Commission, 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 Commonwealth, 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 Commission under the provisions hereof or a copy thereof duly certified by the Commission 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.

§ 59.1-92.6. 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 Commission, the registration may be renewed for a like term from the end of the expiring term. A renewal fee, payable to the Commission, 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 by filing an application for renewal with the Commission complying with the requirements of the Commission and paying the aforementioned renewal fee therefor within six months prior to the expiration of the registration.

All applications for renewal under this chapter, whether of registrations made under this chapter 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.

§ 59.1-92.7. 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 Commission upon the payment of the recording fee payable to the Commission which, 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 chapter shall be void as against any subsequent purchaser for valuable consideration without notice, unless it is recorded with the Commission 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 Commission upon the payment of the recording fee. The Commission may issue in the name of the assignee a certificate of registration of an assigned application. The Commission 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 chapter, such as, by way of example, licenses, security interests or mortgages, may be recorded in the discretion of the Commission, provided that such instrument is in writing and duly executed.

183 *D. Acknowledgment shall be prima facie evidence of the execution of an assignment or other*
184 *instrument and, when recorded by the Commission, the record shall be prima facie evidence of*
185 *execution.*

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

189 *§ 59.1-92.8. Records.*

190 *The Commission shall keep for public examination a record of all marks registered or renewed*
191 *under this chapter, as well as a record of all documents recorded pursuant to § 59.1-92.7.*

192 *§ 59.1-92.9. Cancellation.*

193 *The Commission shall cancel from the register, in whole or in part:*

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

196 *2. All registrations granted under this chapter and not renewed in accordance with the provisions*
197 *hereof;*

198 *3. Any registration which a court of competent jurisdiction has found:*

199 *a. That the registered mark has been abandoned,*

200 *b. That the registrant is not the owner of the mark,*

201 *c. That the registration was granted improperly,*

202 *d. That the registration was obtained fraudulently,*

203 *e. That the mark is or has become the generic name for the goods or services, or a portion thereof,*
204 *for which it has been registered,*

205 *f. That the registered mark is so similar, as to be likely to cause confusion or mistake or to deceive,*
206 *to a mark registered by another person in the United States Patent and Trademark Office prior to the*
207 *date of the filing of the application for registration by the registrant hereunder, and not abandoned;*
208 *however, should the registrant prove that the registrant is the owner of a concurrent registration of a*
209 *mark in the United States Patent and Trademark Office covering an area including this Commonwealth,*
210 *the registration hereunder shall not be canceled for such area of the Commonwealth; or*

211 *4. When a court of competent jurisdiction orders cancellation of a registration on any ground.*

212 *§ 59.1-92.10. Classification.*

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

220 *§ 59.1-92.11. Fraudulent registration.*

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

227 *§ 59.1-92.12. Infringement.*

228 *Subject to the provisions of § 59.1-92.16, any person who shall*

229 *1. Use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable*
230 *imitation of a mark registered under this chapter in connection with the sale, distribution, offering for*
231 *sale, or advertising of any goods or services on or in connection with which such use is likely to cause*
232 *confusion or mistake or to deceive as to the source of origin of such goods or services; or*

233 *2. Reproduce, counterfeit, copy or colorably imitate any such mark and apply such reproduction,*
234 *counterfeit, copy or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or*
235 *advertisements intended to be used upon or in connection with the sale or other distribution in this state*
236 *of such goods or services shall be liable in a civil action by the registrant for any and all of the*
237 *remedies provided in § 59.1-92.14, except that under this subdivision the registrant shall not be entitled*
238 *to recover profits or damages unless the acts have been committed with the intent to cause confusion or*
239 *mistake or to deceive.*

240 *§ 59.1-92.13. Injury to business reputation; dilution.*

241 *A. The owner of a mark which is famous in this state shall be entitled, subject to the principles of*
242 *equity and upon such terms as the court seems reasonable, to an injunction against another person's*
243 *commercial use of a mark or trade name, if such use begins after the mark has become famous and*
244 *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:

- 1. The degree of inherent or acquired distinctiveness of the mark in this Commonwealth;*
- 2. The duration and extent of use of the mark in connection with the goods and services with which the mark is used;*
- 3. The duration and extent of advertising and publicity of the mark in this Commonwealth;*
- 4. The geographical extent of the trading area in which the mark is used;*
- 5. The channels of trade for the goods or services with which the mark is used;*
- 6. The degree of recognition of the mark in the trading areas and channels of trade in this Commonwealth used by the mark's owner and the person against whom the injunction is sought;*
- 7. The nature and extent of use of the same or similar mark by third parties; and*
- 8. Whether the mark is the subject of a state registration in this Commonwealth, or a federal registration under the Act of March 3, 1881, or under the Act of February 20, 1905, or on the principal register.*

B. In an action brought under this section, the owner of a famous mark shall be entitled only to injunctive relief in this Commonwealth, 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.

C. The following shall not be actionable under this section:

- 1. 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;*
- 2. Noncommercial use of the mark; or*
- 3. All forms of news reporting and news commentary.*

§ 59.1-92.14. Remedies.
Any owner of a mark registered under this chapter 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 Commonwealth.

§ 59.1-092.15. Forum for actions regarding registration; service on out-of-state registrants.

A. Actions to require cancellation of a mark registered pursuant to this chapter or in mandamus to compel registration of a mark pursuant to this chapter shall be brought in the circuit court. In an action in mandamus, the proceeding shall be based solely upon the record before the Commission. In an action for cancellation, the Commission 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 nonresident registrant, service may be effected upon the Commission as agent for service of the registrant in accordance with the procedures established for service upon nonresident corporations and business entities under §§ 13.1-637 and 13.1-836.

§ 59.1-92.16 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.

§ 59.1-92.17. Fees.

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

§ 59.1-92.18. Severability.

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

§ 59.1-92.19. Time of taking effect; repeal of prior acts; intent of chapter.

This chapter shall be in force and take effect on January 1, 1998, but shall not affect any suit, proceeding or appeal then pending. Chapter 6 (§ 59.1- 77 et seq.) is hereby repealed on the effective

306 *date of this chapter, provided that as to any application, suit, proceeding or appeal, and for that*
307 *purpose only, pending at the time this chapter takes effect such repeal shall be deemed not to be*
308 *effective until final determination of said pending application, suit, proceeding or appeal.*
309 **2. That Chapter 6 (§§ 59.1-77 through 59.1-92) of Title 59.1 of the Code of Virginia is repealed.**