

**REGISTRATION AND PROTECTION OF  
TRADEMARKS AND SERVICE MARKS**

2002 GENERAL SESSION

STATE OF UTAH

**Sponsor: Lyle W. Hillyard**

**This act modifies the Trademarks and Trade Names title to recodify provisions relating to the registration and protection of trademarks and service marks and to make technical changes. The act addresses the statute's relationship to federal law and common law. The act establishes the authority and responsibilities of the Division of Corporations and Commercial Code. The act states the requirements for registration of marks. The act provides for the assignment of, changes to, renewal of, and cancellation of marks. The act provides for recording of other instruments that relate to marks. The act addresses classification of goods and services. The act establishes liability for fraudulent registration, infringement, and injury to business reputation. The act establishes remedies. The act designates the forums for cancellation actions regarding registration and the requirements for service on out-of-state registrants. The act addresses its application to pending litigation.**

This act enacts uncodified material.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

**42-2-9**, as last amended by Chapter 267, Laws of Utah 1999

ENACTS:

**70-3a-101**, Utah Code Annotated 1953

**70-3a-102**, Utah Code Annotated 1953

**70-3a-103**, Utah Code Annotated 1953

**70-3a-104**, Utah Code Annotated 1953

**70-3a-201**, Utah Code Annotated 1953

**70-3a-202**, Utah Code Annotated 1953

**70-3a-203**, Utah Code Annotated 1953

**70-3a-301**, Utah Code Annotated 1953

- 70-3a-302**, Utah Code Annotated 1953
- 70-3a-303**, Utah Code Annotated 1953
- 70-3a-304**, Utah Code Annotated 1953
- 70-3a-305**, Utah Code Annotated 1953
- 70-3a-306**, Utah Code Annotated 1953
- 70-3a-307**, Utah Code Annotated 1953
- 70-3a-308**, Utah Code Annotated 1953
- 70-3a-401**, Utah Code Annotated 1953
- 70-3a-402**, Utah Code Annotated 1953
- 70-3a-403**, Utah Code Annotated 1953
- 70-3a-404**, Utah Code Annotated 1953
- 70-3a-405**, Utah Code Annotated 1953

**REPEALS:**

- 70-3-1**, as last amended by Chapter 141, Laws of Utah 1993
- 70-3-2**, as last amended by Chapter 241, Laws of Utah 1990
- 70-3-3**, as last amended by Chapter 313, Laws of Utah 1994
- 70-3-4**, as last amended by Chapter 66, Laws of Utah 1984
- 70-3-5**, as last amended by Chapter 66, Laws of Utah 1984
- 70-3-6**, as last amended by Chapter 313, Laws of Utah 1994
- 70-3-7**, as last amended by Chapter 313, Laws of Utah 1994
- 70-3-8**, as last amended by Chapter 156, Laws of Utah 1957
- 70-3-9**, as last amended by Chapter 66, Laws of Utah 1984
- 70-3-10**, as last amended by Chapter 66, Laws of Utah 1984
- 70-3-11**, as last amended by Chapter 66, Laws of Utah 1984
- 70-3-12**, as last amended by Chapter 66, Laws of Utah 1984
- 70-3-13**, as last amended by Chapter 156, Laws of Utah 1957
- 70-3-14**, as last amended by Chapter 156, Laws of Utah 1957
- 70-3-15**, as last amended by Chapter 156, Laws of Utah 1957

**70-3-16**, as last amended by Chapter 66, Laws of Utah 1984

**70-3-17**, as last amended by Chapter 156, Laws of Utah 1957

*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **42-2-9** is amended to read:

**42-2-9. Corporate names, limited liability company names, and trademark, service mark, and trade name rights not affected.**

(1) This chapter does not affect or apply to any corporation organized under the laws of any state if it does business under its true corporate name.

(2) (a) This chapter does not affect the statutory or common law trademark, service mark, or trade name rights granted by state or federal statute. [~~Neither a filing under this chapter, nor an approval by the Division of Corporations and Commercial Code pursuant to this chapter, nor the use of an assumed name shall, of itself,~~]

(b) An act listed in Subsection (2)(c) of itself does not authorize the use in this state of an assumed name in violation of the rights of another as established under:

(i) this chapter[~~, the state law relating to trademarks (~~];

(ii) Title 70, Chapter [3];] 3a, Registration and Protection of Trademarks and Service Marks Act;

(iii) the state law relating to names of corporations, partnerships, and other legal business entities[~~;~~];

(iv) the federal [~~law relating to trademarks and service marks (~~] Trademark Act of 1946, 15 U.S.C. Section 1051 et seq.[~~);~~]; or

(v) the common law, including rights in a trade name.

(c) Subsection (2)(b) applies to:

(i) a filing under this chapter;

(ii) an approval by the Division of Corporations and Commercial Code pursuant to this chapter; or

(iii) the use of an assumed name.

(3) This chapter does not affect or apply to any limited liability company doing business in

this state under its true name.

Section 2. Section **70-3a-101** is enacted to read:

**CHAPTER 3a. REGISTRATION AND PROTECTION OF TRADEMARKS AND  
SERVICE MARKS ACT**

**Part 1. General Provisions**

**70-3a-101. Title.**

This chapter is known as the "Registration and Protection of Trademarks and Service Marks Act."

Section 3. Section **70-3a-102** is enacted to read:

**70-3a-102. Relation to federal law.**

(1) This chapter shall be interpreted to provide for the registration and protection of trademarks and service marks in a manner substantially consistent with the federal system of trademark registration and protection under the Trademark Act of 1946, 15 U.S.C. Sec. 1051, et seq.

(2) In interpreting this chapter, a construction given the Trademark Act of 1946, 15 U.S.C. Sec. 1051, et seq., should be used as persuasive authority.

Section 4. Section **70-3a-103** is enacted to read:

**70-3a-103. Definitions -- Use -- Service marks.**

(1) As used in this chapter:

(a) "Abandoned mark" means a mark whose:

(i) use has been discontinued with no intent to resume use; or

(ii) significance as a mark has been lost due to any course of conduct of the owner, including acts of omission or commission.

(b) "Applicant" means:

(i) the person filing an application for registration of a mark under this chapter; and

(ii) a legal representative, successor, or assign of a person described in Subsection (1)(b)(i).

(c) "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:

(i) competition between the owner of the famous mark and another person; or

(ii) the likelihood of:

(A) confusion;

(B) mistake; or

(C) deception.

(d) "Division" means the Division of Corporations and Commercial Code within the Department of Commerce.

(e) "Mark" means any trademark or service mark entitled to registration under this chapter whether or not the trademark or service mark is registered.

(f) "Registrant" means:

(i) the person to whom the registration of a mark under this chapter is issued; and

(ii) a legal representative, successor, or assign of a person described in Subsection (1)(f)(i).

(g) (i) If the conditions of Subsection (1)(g)(ii) are met, "service mark" means:

(A) a word, term, name, symbol, design, or device; or

(B) any combination of words, terms, names, symbols, designs, or devices.

(ii) The mark described in Subsection (1)(g)(i) is a service mark only if it is used by a person:

(A) to identify and distinguish the services of one person from the services of others, including a unique service; and

(B) to indicate the source of the services, even if that source is unknown.

(h) (i) If the conditions of Subsection (1)(h)(ii) are met, "trademark" means:

(A) a word, term, name, symbol, design, or device; or

(B) any combination of words, terms, names, symbols, designs, or devices.

(ii) The mark described in Subsection (1)(h)(i) is a trademark only if it is used by a person:

(A) to identify and distinguish the goods of that person from those manufactured or sold by others, including a unique product; and

(B) to indicate the source of the goods, even if that source is unknown.

(i) "Trade name" means any name used by a person to identify a business or vocation of that person.

(j) "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.

(2) For the purposes of this chapter, a mark is considered to be in use:

(a) on goods:

(i) when the mark is placed:

(A) in any manner on the goods or other containers;

(B) in any manner on displays associated with the goods or other containers;

(C) on the tags or labels affixed to the goods or other containers; or

(D) if the nature of the goods makes the placements referred to in Subsections (2)(a)(i)(A) through (C) impracticable, on documents associated with the goods or the sale of the goods; and

(ii) the goods are sold or transported in commerce in this state; and

(b) on services:

(i) when it is used or displayed in the sale or advertising of services; and

(ii) when the services are rendered in this state.

(3) For purposes of Subsection (1)(a):

(a) intent not to resume may be inferred from circumstances; and

(b) nonuse for two consecutive years is prima facie evidence of abandonment.

(4) Notwithstanding Subsection (1)(g), the following may be registered as service marks notwithstanding that they may advertise the goods of the sponsor:

(a) titles;

(b) character names used by a person; and

(c) other distinctive features of:

(i) a radio program;

(ii) a television program; or

(iii) a program similar to a program described in Subsection (4)(c)(i) or (ii).

Section 5. Section **70-3a-104** is enacted to read:

**70-3a-104. Common law rights.**

This chapter does not adversely affect the rights or the enforcement of rights in marks

acquired in good faith at any time at common law.

Section 6. Section **70-3a-201** is enacted to read:

**Part 2. Division Powers and Duties**

**70-3a-201. Rulemaking authority of division.**

In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the division may by rule:

(1) pursuant to Subsection 70-3a-302(1), establish the filing requirements for an application for a registration of a mark;

(2) pursuant to Subsection 70-3a-303(2), establish what information in addition to the information contained in the application shall be submitted by an applicant for registration under Section 70-3a-302;

(3) pursuant to Subsection 70-3a-303(3), establish the requirements for an applicant or registrant to disclaim an unregistrable component of a mark that is otherwise registrable;

(4) pursuant to Section 70-3a-305, establish the filing requirements for an application to renew a registration of a mark; and

(5) establish the filing requirements for a filing under Section 70-3a-306.

Section 7. Section **70-3a-202** is enacted to read:

**70-3a-202. Records.**

The division shall keep for public examination a record of:

(1) all marks registered or renewed under this chapter; and

(2) all documents recorded under Section 70-3a-306.

Section 8. Section **70-3a-203** is enacted to read:

**70-3a-203. Fees.**

(1) A regulatory fee, as defined in Section 63-38-3.2, shall be determined by the division in accordance with Section 63-38-3.2.

(2) (a) For a fee authorized by this chapter that is not a regulatory fee, the division may adopt a schedule of fees provided that each fee in the schedule of fees is:

(i) reasonable and fair; and

(ii) submitted to the Legislature as part of the Department of Commerce's annual appropriations request.

(b) When a fee schedule described in Subsection (2)(a) is submitted as part of the annual appropriations request, the Legislature, in a manner substantially similar to Section 63-38-3.2, may for any fee in the fee schedule:

(i) approve the fee;

(ii) (A) increase or decrease the fee; and

(B) approve the fee as changed by the Legislature; or

(iii) reject the fee.

(c) A fee approved by the Legislature pursuant to this section shall be deposited in a restricted account within the General Fund known as the Commerce Service Fund.

Section 9. Section **70-3a-301** is enacted to read:

### **Part 3. Registration**

#### **70-3a-301. Registrability.**

(1) A mark by which the goods or services of an applicant for registration may be distinguished from the goods or services of others may not be registered if it:

(a) consists of or comprises immoral, deceptive, or scandalous matter;

(b) consists of or comprises matter that may:

(i) disparage or falsely suggest a connection with:

(A) a person, living or dead;

(B) an institution;

(C) a belief; or

(D) a national symbol; or

(ii) bring an item listed in Subsection (1)(b)(i) into contempt or disrepute;

(c) consists of or comprises the flag or coat of arms or other insignia of:

(i) the United States;

(ii) any state;

(iii) any municipality;

- (iv) any foreign nation; or
- (v) any simulation of an item listed in Subsections (1)(c)(i) through (iv);
- (d) consists of or comprises the name, signature, or portrait identifying a particular living individual, except by the individual's written consent;
- (e) subject to Subsection (3), consists of a mark that:
  - (i) when used on or in connection with the goods or services of the applicant, is:
    - (A) merely descriptive of the goods or services;
    - (B) deceptively misdescriptive of the goods or services;
    - (C) primarily geographically descriptive of the goods or services; or
    - (D) primarily geographically deceptively misdescriptive of the goods or services; or
  - (ii) is primarily merely a surname;
- (f) consists of or comprises a mark that:
  - (i) resembles:
    - (A) a mark registered in this state; or
    - (B) a mark or trade name previously used by another and not abandoned; and
  - (ii) is likely, when used on or in connection with the goods or services of the applicant, to cause confusion, mistake, or to deceive; or
- (g) without the written consent of the United States Olympic Committee, contains or consists of:
  - (i) the symbol of the International Olympic Committee, consisting of five interlocking rings;
  - (ii) 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;
  - (iii) any trademark, trade name, sign, symbol, or insignia falsely representing association with, or authorization by, the International Olympic Committee or the United States Olympic Committee;
  - (iv) the words "Olympic," "Olympiad," "Citius Altius Fortius"; or
  - (v) any combination or simulation of any item referenced in Subsections (1)(g)(i) through

(iv) that:

(A) causes confusion or mistake;

(B) deceives; or

(C) falsely suggests a connection with:

(I) the International Olympic Committee;

(II) the United States Olympic Committee; or

(III) any Olympic activity.

(2) (a) Any actual use of an item under Subsection (1)(g)(ii) or the words or any combination of the words under Subsection (1)(g)(iv), for any lawful purpose prior to September 21, 1950, is not prohibited by this section and may be continued for the same purpose and for the same goods or services.

(b) Any actual use of any other trademark, trade name, sign, symbol, or insignia under Subsections (1)(g)(iii) and (iv) for any lawful purpose prior to September 21, 1950, is not prohibited by this section and may be continued for the same purpose and for the same goods or services.

(3) (a) Subsections (1)(e)(i)(A) through (1)(e)(i)(C) do not prevent the registration of a mark used by the applicant that has become distinctive of the applicant's goods or services.

(b) For purposes of Subsection (3)(a), the division may accept as evidence that the mark has become distinctive as used on or in connection with the applicant's goods or services, proof of continuous use of the mark as a mark by the applicant in this state for the five years before the date when the claim of distinctiveness is made.

Section 10. Section **70-3a-302** is enacted to read:

**70-3a-302. Application for registration.**

(1) (a) Subject to the limitations in this chapter, any person who uses a mark may file with the division an application for registration of that mark.

(b) The registration described in Subsection (1)(a) shall be filed in accordance with rules:

(i) made by the division in accordance with Section 70-3a-201; and

(ii) that are consistent with this section.

(c) The application shall:

- (i) state:
  - (A) the name and business address of the person applying for registration;
  - (B) if a corporation, the state of incorporation; and
  - (C) if a partnership:
    - (I) the state where the partnership is organized; and
    - (II) the names of the general partners, as specified by the division;
- (ii) specify:
  - (A) the goods or services on or in connection with which the mark is used;
  - (B) the mode or manner in which the mark is used on or in connection with those goods or services; and
  - (C) the class defined pursuant to Section 70-3a-308 in which those goods or services fall;
- (iii) state:
  - (A) the date when the mark was first used anywhere;
  - (B) the date when the mark was first used in this state by the applicant or a predecessor in interest;
  - (C) that the applicant is the owner of the mark;
  - (D) that the mark is in use; and
  - (E) that to the knowledge of the person verifying the application, no other person has registered, either federally or in this state, or has the right to use that mark:
    - (I) in the mark's identical form; or
    - (II) in such near resemblance to the mark as to be likely, when applied to the goods or services of the other person, to cause confusion, mistake, or to deceive;
- (iv) be signed under penalty of perjury by:
  - (A) the applicant; or
  - (B) if the applicant is not an individual:
    - (I) an officer of the applicant; or
    - (II) a partner of a partnership;
- (v) be filed with the division;

(vi) be accompanied by two specimens showing the mark as actually used; and

(vii) be accompanied by a regulatory fee as determined by the division in accordance with Section 70-3a-203.

(d) In addition to the information required by Subsection (1)(c), the division may require the applicant to provide:

(i) a statement as to whether an application to register the mark, or portions or a composite of the mark, has been filed by the applicant or a predecessor in interest in the United States Patent and Trademark Office; or

(ii) a drawing of the mark, complying with the requirements the division may specify.

(2) If the division requires the statement under Subsection (1)(d)(i), the applicant shall provide full information with respect to any application filed with the United States Patent and Trademark Office including:

(a) the filing date and serial number of the application;

(b) the status of the application; and

(c) if any application was finally refused registration or has otherwise not resulted in a registration, the reasons for the refusal or lack of registration.

Section 11. Section **70-3a-303** is enacted to read:

**70-3a-303. Filing of applications.**

(1) The division may examine an application to determine whether the application conforms with this chapter if:

(a) the application for registration is filed under Section 70-3a-302; and

(b) the regulatory fee required by Section 70-3a-203 is paid.

(2) If reasonably requested by the division or considered by the applicant to be advisable to respond to any rejection or objection, the applicant:

(a) shall provide any additional information requested by rule by the division, including a description of a design mark; and

(b) may make, or authorize the division to make, amendments to the application.

(3) (a) The division may require the applicant to disclaim an unregistrable component of a

mark otherwise registrable.

(b) An applicant may voluntarily disclaim a component of a mark for which the applicant has filed a registration application.

(c) A disclaimer under this Subsection (3) may not prejudice or affect the applicant's or registrant's rights:

(i) in the disclaimed matter:

(A) existing at the time of the disclaimer; or

(B) arising after the disclaimer; or

(ii) 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) The division may make rules consistent with this Subsection (3) to establish the requirements for an applicant to disclaim an unregistrable component of a mark that is otherwise registrable.

(4) The division may:

(a) amend an application filed by the applicant if the applicant agrees in writing to the amendment; or

(b) require the applicant to file a new application.

(5) (a) If the division determines that the applicant is not qualified to register a mark, the division shall notify the applicant of:

(i) the refusal; and

(ii) the reasons for the refusal.

(b) The applicant shall have a reasonable period of time specified by the division, but not more than 60 days from the date of the notice under this Subsection (5) to:

(i) reply to the refusal; or

(ii) amend the application for reexamination.

(c) The procedure described in Subsections (5)(a) and (b) may be repeated until:

(i) the division finally refuses registration of the mark; or

(ii) the applicant fails to reply or amend within the time period specified under Subsection

(5)(b).

(d) If the applicant fails to reply or to amend within the time period specified under Subsection (5)(b), the application is considered abandoned.

(6) If the division finally refuses registration of the mark, the refusal shall:

(a) be in writing; and

(b) notify the applicant of the applicant's right to a review of the agency action in accordance with Title 63, Chapter 46b, Administrative Procedures Act.

(7) (a) An applicant may file an action to compel registration by obtaining judicial review of the final agency action in accordance with Title 63, Chapter 46b, Administrative Procedures Act.

(b) The division is not liable for damages in an action to compel registration.

(c) An action to compel registration shall only be granted on proof that:

(i) all the statements in the application for registration are true; and

(ii) the mark is otherwise entitled to registration.

(8) (a) If more than one application is concurrently being processed by the division seeking registration of the same or confusingly similar marks for the same or related goods or services, the division shall grant priority to the applications in order of filing.

(b) If a prior-filed application is granted a registration, the division shall refuse an application filed after the prior-filed application.

(c) An applicant refused under this Subsection (8) may bring an action for cancellation of the registration upon grounds of prior or superior rights to the mark.

Section 12. Section **70-3a-304** is enacted to read:

**70-3a-304. Certification of registration.**

(1) If an applicant fully complies with this chapter, the division shall:

(a) certify the registration; and

(b) provide to the applicant documentation that the registration is certified.

(2) The documentation described in Subsection (1) shall:

(a) be affixed to the application of the applicant; or

(b) include the information that is required to be in an application under Subsections

70-3a-302(1)(c)(i) through (iii).

(3) The following are admissible in evidence as competent and sufficient proof of the registration of the particular mark in any action or judicial proceeding in any court of this state:

- (a) the documentation described in Subsection (1)(b) that is provided by the division; or
- (b) a copy of the documentation described in Subsection (1)(b) if the copy is certified by the division.

Section 13. Section **70-3a-305** is enacted to read:

**70-3a-305. Duration and renewal.**

(1) The registration of a mark under this chapter expires five years after the date the division certifies the registration under Section 70-3a-304.

(2) A registration may be renewed for an additional five years from the date a registration expires if the registrant:

(a) files an application with the division:

(i) at least six months before the expiration of the registration; and

(ii) in accordance with the requirements made by rule by the division:

(A) pursuant to Section 70-3a-201; and

(B) consistent with this section; and

(b) pays a renewal regulatory fee determined by the division in accordance with Section 70-3a-203.

(3) If a registrant complies with this section, the registrant may renew a mark at the expiration of each five-year term.

(4) (a) A registration in effect before May 6, 2002:

(i) shall continue in full force and effect for the registration's unexpired term; and

(ii) may be renewed by:

(A) filing an application for renewal with the division:

(I) within six months before the expiration of the registration; and

(II) in accordance with rules made by the division pursuant to Section 70-3a-201; and

(B) paying the required renewal regulatory fee determined by the division in accordance with

Section 70-3a-203.

(b) If a registration in effect before May 6, 2002, is renewed in accordance with this Subsection (4), the registration shall be renewed for a term of five years.

(5) Any application for renewal under this chapter, whether a registration made under this chapter or a registration made under a prior Utah statute, shall include:

(a) a verified statement that the mark has been and is still in use; and

(b) (i) a specimen showing actual use of the mark on or in connection with the goods or services; or

(ii) a verified statement that the mark has not changed.

Section 14. Section **70-3a-306** is enacted to read:

**70-3a-306. Assignments -- Changes of name -- Other instruments -- Security interests -- Acknowledgments.**

(1) (a) A mark and the mark's registration under this chapter is assignable with:

(i) the good will of the business in which the mark is used; or

(ii) that part of the good will of the business connected with the use of and symbolized by the mark.

(b) An assignment under this section:

(i) shall be:

(A) in writing; and

(B) properly executed; and

(ii) may be filed with the division by:

(A) filing a form provided by the division; and

(B) paying of a fee determined by the division in accordance with Section 70-3a-203.

(c) Upon the filing of an assignment, the division shall certify that the assignment has been filed.

(d) An assignment of any registration under this chapter is void as against any subsequent purchaser for valuable consideration without notice, unless the assignment is filed with the division within:

(i) three months after the date of the assignment; or

(ii) prior to the subsequent purchase.

(2) Any registrant or applicant may change the name of the person or business to whom the mark is issued or for whom an application is filed by:

(a) filing two copies of a certificate of change of name of the registrant or applicant with the division; and

(b) paying of a fee determined by the division in accordance with Section 70-3a-203.

(3) (a) A person may file another instrument that relates to a mark registered or application pending under this chapter:

(i) in the discretion of the division; and

(ii) if the instrument is:

(A) in writing; and

(B) properly executed.

(b) An instrument that may be filed under this Subsection (3) includes:

(i) a license;

(ii) a security interest; or

(iii) a mortgage.

(4) An acknowledgment by the assignor or person whose interest in a mark is adversely effected by the instrument:

(a) is prima facie evidence of the execution of an assignment or other instrument; and

(b) when filed by the division, the filed acknowledgment is prima facie evidence of execution of the assignment or other instrument.

Section 15. Section **70-3a-307** is enacted to read:

**70-3a-307. Cancellation.**

(1) The division shall cancel, in whole or in part:

(a) a registration of mark for which the division receives a voluntary request for the registration's cancellation from:

(i) the registrant; or

- (ii) the assignee of record;
- (b) a registration of a mark:
  - (i) granted under this chapter; and
  - (ii) not renewed in accordance with the chapter;
- (c) a registration of a mark for which a court of competent jurisdiction finds that:
  - (i) the registered mark has been abandoned;
  - (ii) the registrant is not the owner of the mark;
  - (iii) the registration was granted improperly;
  - (iv) the registration was obtained fraudulently;
  - (v) the mark is or has become the generic name for the goods or services, or a portion of the goods or services, for which the mark has been registered; or
  - (vi) subject to Subsection (2), the mark is so similar, as to be likely to cause confusion, mistake, or to deceive, to a mark:
    - (A) registered by another person in the United States Patent and Trademark Office prior to the date of the filing of the application for registration by the registrant; and
    - (B) not abandoned; or
    - (d) when a court of competent jurisdiction orders cancellation of a registration on any ground.

(2) Notwithstanding Subsection (1)(c)(vi), if the registrant proves the registrant is the owner of a concurrent registration of a mark in the United States Patent and Trademark Office covering an area including this state, the registration under this chapter may not be cancelled for that particular area of the state.

Section 16. Section **70-3a-308** is enacted to read:

**70-3a-308. Classification.**

- (1) (a) Except as provided in Subsection (1)(b), in administering this chapter, the division shall for the purposes of classifying:
- (i) goods, use the general classes of goods designated in 37 C.F.R. 6.1; and
  - (ii) services, use the general classes of services designated in 37 C.F.R. 6.1.

(b) If the United States Patent and Trademark Office does not use the classifications described in Subsection (1)(a), to the extent practical, the classification of goods and services under this section should conform to the classification adopted by the United States Patent and Trademark Office.

(2) A single application for registration of a mark may include any or all goods upon which, or services with which, the mark is actually being used if it indicates the appropriate one or more classes of goods or services.

(3) When a single application includes goods or services that fall within multiple classes, the division may require payment of a fee for each class.

Section 17. Section **70-3a-401** is enacted to read:

#### **Part 4. Violations and Remedies**

##### **70-3a-401. Fraudulent registration.**

(1) A person is civilly liable to pay all damages resulting from a filing or registration under this chapter if:

(a) that person procures the filing or registration of any mark:

(i) for the person who procures the filing or registration; or

(ii) on behalf of another person; and

(b) the person who procures the filing or registration procures it by:

(i) knowingly making a false or fraudulent representation or declaration, orally or in writing;

or

(ii) any other fraudulent means.

(2) Damages sustained as a result of a filing or registration described in Subsection (1) may be recovered:

(a) by or on behalf of the person injured by the filing or registration; and

(b) in any court of competent jurisdiction.

Section 18. Section **70-3a-402** is enacted to read:

##### **70-3a-402. Infringement.**

(1) Subject to Section 70-3a-104 and Subsection (2), any person is liable in a civil action

brought by the registrant for any and all of the remedies provided in Section 70-3a-404, if that person:

(a) uses a reproduction, counterfeit, copy, or colorable imitation of a mark registered under this chapter:

(i) without the consent of the registrant; and

(ii) in connection with the sale, distribution, offering for sale, or advertising of any goods or services on or in connection with which that use is likely to cause confusion, mistake, or to deceive as to the source of origin, nature, or quality of those goods or services; or

(b) reproduces, counterfeits, copies, or colorably imitates any mark and applies the reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale or other distribution in this state of goods or services.

(2) Under Subsection (1)(b), the registrant is not entitled to recover profits or damages unless the act described in Subsection (1)(b) has been committed with the intent:

(a) to cause confusion or mistake; or

(b) to deceive.

Section 19. Section **70-3a-403** is enacted to read:

**70-3a-403. Injury to business reputation -- Dilution.**

(1) Subject to the principles of equity and upon the terms the court considers reasonable, the owner of a mark that is famous in this state is entitled to:

(a) an injunction against another person's commercial use of a mark, if the use:

(i) begins after the mark has become famous; and

(ii) causes dilution of the distinctive quality of the mark; and

(b) obtain other relief as is provided in this section.

(2) To determine if a mark is famous, a court may consider factors including:

(a) the degree of inherent or acquired distinctiveness of the mark in this state;

(b) the duration and extent of use of the mark in connection with the goods and services with which the mark is used;

- (c) the duration and extent of advertising and publicity of the mark in this state;
- (d) the geographical extent of the trading area in which the mark is used;
- (e) the channels of trade for the goods or services with which the mark is used;
- (f) the degree of recognition of the mark in the trading areas and channels of trade in this state that are used by:
  - (i) the mark's owner; and
  - (ii) the person against whom the injunction is sought;
- (g) the nature and extent of use of the same or similar mark by third parties; and
- (h) whether the mark is the subject of:
  - (i) a state registration in this state; or
  - (ii) a federal registration:
    - (A) under the Act of March 3, 1881, c. 138, 21 Stat. 502;
    - (B) under the Act of February 20, 1905, c. 592, 33 Stat. 724; or
    - (C) on the principal register.
- (3) In an action brought under this section, the owner of a famous mark is entitled only to injunctive relief in this state, unless the person against whom the injunctive relief is sought willfully intended to:
  - (a) trade on the owner's reputation; or
  - (b) cause dilution of the famous mark.
- (4) If willful intent is proven under Subsection (3)(a) or (b), in addition to injunctive relief, the owner is entitled to the remedies set forth in Section 70-3a-404, subject to:
  - (a) the discretion of the court; and
  - (b) the principles of equity.
- (5) The following are not actionable under this section:
  - (a) 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;
  - (b) noncommercial use of the mark; and
  - (c) all forms of news reporting and news commentary.

Section 20. Section **70-3a-404** is enacted to read:

**70-3a-404. Remedies.**

(1) (a) An 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 of the mark.

(b) A court of competent jurisdiction may grant injunctions to restrain the manufacture, use, display, or sale as may be considered by the court just and reasonable.

(2) A court may:

(a) require the defendants to pay the owner:

(i) all profits derived from the wrongful manufacture, use, display, or sale of a registered mark; or

(ii) all damages suffered because of the wrongful manufacture, use, display, or sale of a registered mark;

(b) order that any counterfeits or imitations of a registered mark in the possession or under the control of any defendant in an action be delivered to the following to be destroyed:

(i) an officer of the court; or

(ii) the complainant; or

(c) take a combination of the actions described in Subsections (2)(a) and (b).

(3) A court may enter judgment for the prevailing party:

(a) in an action where the court finds:

(i) the other party committed the wrongful act:

(A) with knowledge;

(B) in bad faith; or

(ii) as according to the circumstances of the case; and

(b) in an amount not to exceed:

(i) three times the profits and damages of the prevailing party; and

(ii) the reasonable attorneys fees of the prevailing party.

(4) The enumeration of any right or remedy in this section does not affect a registrant's right to prosecute under any penal law of this state.

Section 21. Section **70-3a-405** is enacted to read:

**70-3a-405. Forum for actions regarding registration -- Service on out-of-state registrants.**

(1) (a) An action to require the cancellation of a mark registered under this chapter shall be brought in a district court of this state.

(b) The division may not be made a party to an action filed under Subsection (1)(a), except that the division may intervene in an action filed under Subsection (1)(a).

(2) In any action brought against a nonresident registrant, service may be effected upon the nonresident registrant in accordance with the procedures established for service upon nonresident corporations and business entities under Section 16-10a-1511.

**Section 22. Repealer.**

This act repeals:

**Section 70-3-1, Definitions.**

**Section 70-3-2, When trademark or service mark not to be registered.**

**Section 70-3-3, Application for registration of trademark or service mark -- Contents -- Fee.**

**Section 70-3-4, Certification of registration -- Issuance -- Contents.**

**Section 70-3-5, Certificate of registration or copy -- Admissibility as evidence.**

**Section 70-3-6, Term of registration -- Renewal -- Renewal fee -- Notification of necessity of renewal.**

**Section 70-3-7, Assignment -- Recording -- Fee -- Effect of recording.**

**Section 70-3-8, Accepting or requiring security for return of container bearing trademark or service mark.**

**Section 70-3-9, Public record.**

**Section 70-3-10, Cancellation of registration.**

**Section 70-3-11, Classes of goods.**

**Section 70-3-12, False or fraudulent representation or declaration in registration -- Liability for damages.**

Section **70-3-13, Damages for unlawful use or copying.**

Section **70-3-14, Injunctive relief.**

Section **70-3-15, Common-law trademarks or service marks.**

Section **70-3-16, Effect on trademarks or service marks now on file.**

Section **70-3-17, Act not to affect pending actions.**

Section 23. **Application to pending litigation.**

This act does not affect any action that was filed before May 6, 2002 for which a court of competent jurisdiction has not issued a final unappealable judgment or order by May 6, 2002.