

Representative John Dougall proposes the following substitute bill:

TRADEMARK PROTECTION ACT AMENDMENTS

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Dan R. Eastman

House Sponsor: John Dougall

LONG TITLE

General Description:

This bill makes changes to Title 70, Chapter 3a, Registration and Protection of Trademarks and Service Marks Act.

Highlighted Provisions:

This bill:

- ▶ eliminates provisions allowing registration and enforcement of an electronic service mark;
- ▶ addresses the establishment, maintenance, and funding of a database allowing electronic registration and administration of trademarks and service marks; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

70-3a-103, as last amended by Laws of Utah 2007, Chapter 365

70-3a-203, as last amended by Laws of Utah 2007, Chapter 365



- 26 **70-3a-302**, as last amended by Laws of Utah 2007, Chapter 365
- 27 **70-3a-304**, as last amended by Laws of Utah 2007, Chapter 365
- 28 **70-3a-305**, as last amended by Laws of Utah 2007, Chapter 365
- 29 **70-3a-306**, as last amended by Laws of Utah 2007, Chapter 365
- 30 **70-3a-402**, as last amended by Laws of Utah 2007, Chapter 365
- 31 **70-3a-501**, as enacted by Laws of Utah 2007, Chapter 365
- 32 **70-3a-502**, as enacted by Laws of Utah 2007, Chapter 365



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

35 Section 1. Section **70-3a-103** is amended to read:

36 **70-3a-103. Definitions -- Use -- Service marks.**

37 (1) As used in this chapter:

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

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

40 (ii) significance as a mark has been lost due to any course of conduct of the owner,

41 including acts of omission or commission.

42 (b) "Applicant" means:

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

44 (ii) a legal representative, successor, or assign of a person described in Subsection

45 (1)(b)(i).

46 (c) "Dilution" means the lessening of the capacity of a famous mark to identify and

47 distinguish goods or services, regardless of the presence or absence of:

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

49 (ii) the likelihood of:

50 (A) confusion;

51 (B) mistake; or

52 (C) deception.

53 (d) "Division" means the Division of Corporations and Commercial Code within the

54 Department of Commerce.

55 [~~(e) (i) If the conditions of Subsection (1)(c)(ii) are met, "electronic registration mark"~~

56 ~~means a word, term, or name that represents a business, goods, or a service.]~~

57 ~~[(ii) The mark described in Subsection (1)(e)(i) is an electronic registration mark only~~
 58 ~~if it is:]~~

59 ~~[(A) registered through the system described in Section 70-3a-501; and]~~

60 ~~[(B) used by a person to identify and distinguish a business, goods, or a service of that~~
 61 ~~person from a business, product, or service of another person.]~~

62 ~~[(f)] (e) "Mark" means any trademark[;] or service mark[; ~~or electronic registration~~~~
 63 ~~mark] entitled to registration under this chapter whether or not the trademark[;] or service~~
 64 ~~mark[; ~~or electronic registration mark] is registered.~~~~

65 ~~[(g)] (f) "Registrant" means:~~

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

67 (ii) a legal representative, successor, or assign of a person described in Subsection
 68 (1)~~[(g)]~~(f)(i).

69 ~~[(h)] (g) (i) If the conditions of Subsection (1)~~[(h)]~~(g)(ii) are met, "service mark"~~
 70 ~~means:~~

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

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

73 (ii) The mark described in Subsection (1)~~[(h)]~~(g)(i) is a service mark only if it is used
 74 by a person:

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

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

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

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

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

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

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

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

86 ~~[(j)] (i) "Trade name" means any name used by a person to identify a business or~~
 87 ~~vocation of that person.~~

88 ~~(k)~~ (j) "Use" means the bona fide use of a mark in the ordinary course of trade, and
89 not made merely to reserve a right in a mark.

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

91 (a) on goods:

92 (i) when the mark is placed:

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

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

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

96 (D) if the nature of the goods makes the placements referred to in Subsections

97 (2)(a)(i)(A) through (C) impracticable, on documents associated with the goods or the sale of
98 the goods; and

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

100 (b) on services:

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

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

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

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

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

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

108 (a) titles;

109 (b) character names used by a person; and

110 (c) other distinctive features of:

111 (i) a radio program;

112 (ii) a television program; or

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

114 Section 2. Section **70-3a-203** is amended to read:

115 **70-3a-203. Fees.**

116 (1) (a) A regulatory fee, as defined in Section 63-38-3.2, shall be determined by the
117 division in accordance with Section 63-38-3.2, but may not exceed \$250 annually for electronic
118 registration of [~~an electronic registration~~] a mark in a single class.

119 (b) A person who pays the annual regulatory fee for the electronic registration of [~~an~~
120 ~~electronic registration~~] a mark may register additional classes for the same mark for an
121 additional fee not to exceed \$25 annually.

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

124 (i) reasonable and fair; and

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

127 (b) When a fee schedule described in Subsection (2)(a) is submitted as part of the
128 annual appropriations request, the Legislature, in a manner substantially similar to Section
129 63-38-3.2, may for any fee in the fee schedule:

130 (i) approve the fee;

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

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

133 (iii) reject the fee.

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

136 Section 3. Section **70-3a-302** is amended to read:

137 **70-3a-302. Application for registration.**

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

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

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

143 (ii) that are consistent with this section.

144 (c) The application shall:

145 (i) state:

146 (A) the name and business address of the person applying for registration;

147 (B) if a corporation, the state of incorporation; and

148 (C) if a partnership:

149 (I) the state where the partnership is organized; and

- 150 (II) the names of the general partners, as specified by the division;
- 151 (ii) specify:
 - 152 (A) the goods or services on or in connection with which the mark is used;
 - 153 (B) the mode or manner in which the mark is used on or in connection with those
 - 154 goods or services; and
 - 155 (C) the class defined pursuant to Section 70-3a-308 in which those goods or services
 - 156 fall;
 - 157 (iii) state:
 - 158 (A) the date when the mark was first used anywhere;
 - 159 (B) the date when the mark was first used in this state by the applicant or a predecessor
 - 160 in interest;
 - 161 (C) that the applicant is the owner of the mark;
 - 162 (D) that the mark is in use; and
 - 163 (E) that to the knowledge of the person verifying the application, no other person has
 - 164 registered, either federally or in this state, or has the right to use that mark:
 - 165 (I) in the mark's identical form; or
 - 166 (II) in such near resemblance to the mark as to be likely, when applied to the goods or
 - 167 services of the other person, to cause confusion, mistake, or to deceive;
 - 168 (iv) be signed, including by any signature consistent with the requirement for an
 - 169 electronic signature under 15 U.S.C. Sec. 7001, under penalty of perjury by:
 - 170 (A) the applicant; or
 - 171 (B) if the applicant is not an individual:
 - 172 (I) an officer of the applicant; or
 - 173 (II) a partner of a partnership;
 - 174 (v) be filed with the division;
 - 175 (vi) be accompanied by two specimens showing the mark as actually used; and
 - 176 (vii) be accompanied by a regulatory fee as determined by the division in accordance
 - 177 with Section 70-3a-203.
 - 178 (d) In addition to the information required by Subsection (1)(c), the division may
 - 179 require the applicant to provide:
 - 180 (i) a statement as to whether an application to register the mark, or portions or a

181 composite of the mark, has been filed by the applicant or a predecessor in interest in the United
182 States Patent and Trademark Office; or

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

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

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

188 (b) the status of the application; and

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

191 (3) Any materials, information, or signatures required to file an application for ~~an~~
192 ~~electronic registration~~ a mark may be provided through the database created under Section
193 70-3a-501.

194 Section 4. Section **70-3a-304** is amended to read:

195 **70-3a-304. Certification of registration.**

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

197 (a) certify the registration; and

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

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

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

201 (b) include the information that is required to be in an application under Subsections
202 70-3a-302(1)(c)(i) through (iii).

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

205 (a) the documentation described in Subsection (1)(b) that is provided by the division;

206 or

207 (b) a copy of the documentation described in Subsection (1)(b) if the copy is certified
208 by the division.

209 (4) Documentation of the certification of an ~~electronic registration~~ electronically
210 registered mark shall be provided through the database created under Section 70-3a-501.

211 Section 5. Section **70-3a-305** is amended to read:

212 **70-3a-305. Duration and renewal.**

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

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

217 (a) files an application with the division:

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

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

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

221 (B) consistent with this section; and

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

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

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

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

228 (ii) may be renewed by:

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

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

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

232 (B) paying the required renewal regulatory fee determined by the division in
233 accordance with Section 70-3a-203.

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

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

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

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

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

242 [~~(6) (a) An electronic registration mark is valid for one year from the day on which the~~

243 ~~electronic registration mark is registered.]~~

244 ~~[(b) Registration of an electronic registration mark may be renewed annually by paying~~
245 ~~the fee for renewing an electronic registration mark described in Section 70-3a-203.]~~

246 ~~[(c) An electronic registration mark that is not renewed reverts to a trademark and~~
247 ~~expires five years after the day on which the mark was originally certified unless renewed~~
248 ~~under Subsection (2).]~~

249 ~~[(d) Any existing trademark or service mark that otherwise qualifies for registration as~~
250 ~~an electronic registration mark may be converted to an electronic registration mark by paying~~
251 ~~the electronic registration mark fee under Section 70-3a-203.]~~

252 Section 6. Section **70-3a-306** is amended to read:

253 **70-3a-306. Assignments -- Changes of name -- Other instruments -- Security**
254 **interests -- Acknowledgments.**

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

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

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

259 (b) An assignment under this section:

260 (i) shall be:

261 (A) in writing; and

262 (B) properly executed; and

263 (ii) may be filed with the division by:

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

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

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

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

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

272 (ii) before the subsequent purchase.

273 (2) Any registrant or applicant may change the name of the person or business to whom

274 the mark is issued or for whom an application is filed by:

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

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

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

280 (i) in the discretion of the division; and

281 (ii) if the instrument is:

282 (A) in writing; and

283 (B) properly executed.

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

285 (i) a license;

286 (ii) a security interest; or

287 (iii) a mortgage.

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

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

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

293 [~~(5) An assignment and a name change of an electronic registration mark may be made
294 through the database created under Section 70-3a-501.~~]

295 Section 7. Section **70-3a-402** is amended to read:

296 **70-3a-402. Infringement.**

297 (1) Subject to Section 70-3a-104 and Subsection (2), any person is liable in a civil
298 action brought by the registrant for any and all of the remedies provided in Section 70-3a-404,
299 if that person:

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

302 (i) without the consent of the registrant; and

303 (ii) in connection with the sale, distribution, offering for sale, or advertising of any
304 goods or services on or in connection with which that use is likely to cause confusion, mistake,

305 or to deceive as to the source of origin, nature, or quality of those goods or services; or

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

310 [~~(c) uses an electronic registration mark to cause the delivery or display of an~~
311 ~~advertisement for a business, goods, or a service:]~~

312 [~~(i) of the same class, as defined in Section 70-3a-308, other than the business, goods,~~
313 ~~or service of the registrant of the electronic registration mark; or]~~

314 [~~(ii) if that advertisement is likely to cause confusion between the business, goods, or~~
315 ~~service of the registrant of the electronic registration mark and the business, goods, or service~~
316 ~~advertised:]~~

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

319 (a) to cause confusion or mistake; or

320 (b) to deceive.

321 [~~(3) For a violation of Subsection (1)(c), the person whose business, goods, or service~~
322 ~~is advertised, and the person who sells or displays the advertisement are liable if:]~~

323 [~~(a) the advertisement is at any time displayed in the state; or]~~

324 [~~(b) the advertiser or person selling the advertisement is located in the state.]~~

325 Section 8. Section **70-3a-501** is amended to read:

326 **70-3a-501. Searchable mark database.**

327 (1) The division shall maintain a database that enables a user to:

328 (a) file an application to electronically register [~~an electronic registration]~~ a mark;

329 (b) manage existing [~~electronic registration]~~ marks owned by the user; and

330 (c) search for any registered marks.

331 (2) (a) The division may contract with a person to maintain and operate the database.

332 (b) If the division contracts with a person to maintain and operate the database, the
333 person with whom the division contracts may, at the discretion of the division, be responsible
334 for all costs of creating the database and readying it for use.

335 (3) [~~The~~] Notwithstanding Subsections 13-1-2(3)(c) and 70-3a-203(2)(c), the database

336 required by Subsection (1) shall be:

337 (a) directly funded by fees collected for the electronic registration of [~~electronic~~
338 ~~registration~~] marks, including funding any data storage costs related to operation of the
339 database; and

340 (b) accessible online through the state's Internet website.

341 (4) For all registered marks, the database shall include:

342 (a) the date of a mark's registration;

343 (b) an indication of the mark's status as active or otherwise;

344 (c) any class for which the mark is registered; and

345 (d) the name of the registrant.

346 (5) A search of the information in the database that is listed in Subsection (4) shall be
347 available free to any user, without regard to whether the user has an account for use of the
348 database.

349 (6) The division may provide other services in connection with the database, for which
350 the division may charge a user.

351 (7) A person electronically registering [~~an electronic registration~~] a mark shall be given
352 an account through which the person may access the database to:

353 (a) review the status of a mark;

354 (b) pay any fee; and

355 (c) renew, revoke, and assign any [~~electronic registration~~] mark.

356 [~~(8) (a) The database shall provide a mechanism allowing a person to seek permission~~
357 ~~from the registrant to use a registered electronic registration mark.~~]

358 [~~(b) The database shall allow, through use of the database, a registrant whose~~
359 ~~permission is requested under Subsection (8)(a) to approve, disapprove, or approve with a time~~
360 ~~limitation the request.~~]

361 [~~(c) (i) The division may charge a fee for a request for permission to use an electronic~~
362 ~~registration mark under this Subsection (8).~~]

363 [~~(ii) No fee may be charged to the registrant from whom permission to use a mark is~~
364 ~~requested.~~]

365 [~~(9) The creation of the database does not affect the registration of and fees for a~~
366 ~~trademark or service mark.~~]

367 Section 9. Section **70-3a-502** is amended to read:

368 **70-3a-502. Use of funds collected under this chapter.**

369 [~~Any~~] Notwithstanding Subsections 13-1-2(3)(c) and 70-3a-203(2)(c), any funds
370 collected from the registration of a mark under this chapter or the use of the database in excess
371 of the expense of maintaining the database shall be retained as dedicated credits to be used by
372 the division to:

373 (1) promote the electronic registration of [~~electronic registration~~] marks to holders of
374 federal trademarks;

375 (2) promote the state as a desirable location for business; and

376 (3) provide incentives to businesses considering relocation to the state.

S.B. 151 3rd Sub. (Ivory) - Trademark Protection Act Amendments

Fiscal Note

2008 General Session

State of Utah

State Impact

Enactment of this bill will require an additional appropriation of \$50,000 from the Commerce Service Fund for additional database usage and promotional expenses. It is anticipated that the Department of Commerce will receive additional fee revenue of \$50,000 to offset the cost of the implementation of this bill.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
Commerce Service Fund	\$0	\$50,000	\$50,000	\$0	\$50,000	\$50,000
Total	\$0	\$50,000	\$50,000	\$0	\$50,000	\$50,000

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals or local governments. Businesses may benefit from the ability to register their electronic trademark, but also required to pay for their registration.