

AMENDED IN SENATE MAY 31, 2007

AMENDED IN ASSEMBLY APRIL 16, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 1484

Introduced by Assembly Member Krekorian

February 23, 2007

An act to repeal and add Chapter 2 (commencing with Section 14200) of Division 6 of the Business and Professions Code, relating to trademarks.

LEGISLATIVE COUNSEL'S DIGEST

AB 1484, as amended, Krekorian. Model State Trademark Law.

Existing law, the Trademark Law, provides for the registration of trademarks and service marks with the Secretary of State and requires an application for registration of a mark to provide specified information on its application. A registration of a mark is effective for 10 years, and may be renewed for successive 10-year periods. Existing law specifies the grounds for cancellation of and provides specified remedies for violation of a registered mark.

This bill would repeal the Trademark Law and would enact the Model State Trademark Law. The bill would expand the information required to be provided with an application for registration of a mark to include, among other things, a drawing of the mark and 3 specimens of that mark as it is actually used. The bill would also require that the application be signed and verified under penalty of perjury. By expanding the crime of perjury, the bill would impose a state-mandated local program. The bill would provide procedures for amendment of an application and, if the secretary refuses registration, would authorize

the applicant to seek a writ of mandamus to compel registration. The bill would provide that registration of a mark is effective for 5 years, and may be renewed for successive 5-year periods. The bill would expand the grounds upon which the secretary shall cancel a registration and would specify procedures for actions to compel registration or cancel a registration.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 2 (commencing with Section 14200) of
2 Division 6 of the Business and Professions Code is repealed.

3 SEC. 2. Chapter 2 (commencing with Section 14200) is added
4 to Division 6 of the Business and Professions Code, to read:

5
6 CHAPTER 2. MODEL STATE TRADEMARK LAW

7
8 Article 1. General Provisions

9
10 14200. This chapter shall be known and may be cited as the
11 Model State Trademark Law.

12 14202. For the purposes of this chapter, the following terms
13 have the following meanings:

14 (a) "Trademark" means any word, name, symbol, or device, or
15 any combination thereof, used by a person to identify and
16 distinguish the goods of that person, including a unique product,
17 from those manufactured or sold by others, and to indicate the
18 source of the goods, even if that source is unknown.

19 (b) "Service mark" means any word, name, symbol, or device,
20 or any combination thereof, used by a person to identify and
21 distinguish the services of that person, including a unique service,
22 from the services of others, and to indicate the source of the
23 services, even if that source is unknown. Titles, character names
24 used by a person, and other distinctive features of radio or

1 television programs may be registered as service marks
2 notwithstanding that they, or the programs, may advertise the goods
3 of the sponsor.

4 (c) “Mark” includes any trademark or service mark entitled to
5 registration under this chapter, whether registered or not.

6 (d) “Trade name” means any name used by a person to identify
7 a business or vocation of that person.

8 (e) The term “person” and any other word or term used to
9 designate the applicant or other party entitled to a benefit or
10 privilege or rendered liable under the provisions of this chapter
11 includes a juristic person as well as a natural person. The term
12 “juristic person” includes a firm, partnership, corporation, union,
13 association, or other organization capable of suing and being sued
14 in a court of law.

15 (f) “Applicant” means the person filing an application for
16 registration of a mark under this chapter, and the legal
17 representatives, successors, or assigns of the person.

18 (g) “Registrant” means the person to whom the registration of
19 a mark under this chapter is issued, and the legal representatives,
20 successors, or assigns of the person.

21 (h) “Use” means the bona fide use of a mark in the ordinary
22 course of trade, and not made merely to reserve a right in a mark.
23 For the purposes of this chapter, a mark shall be deemed to be in
24 use if it is used on either of the following:

25 (1) On goods when it is placed in any manner on the goods or
26 other containers or the displays associated therewith or on the tags
27 or labels affixed thereto, or if the nature of the goods makes that
28 placement impracticable, then on documents associated with the
29 goods or their sale, and the goods are sold or transported in
30 commerce in this state.

31 (2) On services when it is used or displayed in the sale or
32 advertising of services and the services are rendered in this state.

33 (i) “Abandoned” means either of the following has occurred:

34 (1) A mark’s use has been discontinued with intent not to resume
35 that use. Intent not to resume the use may be inferred from
36 circumstances. Nonuse for two consecutive years shall constitute
37 prima facie evidence of abandonment.

38 (2) When any course of conduct of the owner, including acts of
39 omission as well as commission, causes the mark to lose its
40 significance as a mark.

(j) “Secretary” means the Secretary of State or the designee of the Secretary of State charged with the administration of this chapter.

(k) “Dilution” means the lessening of the capacity of a famous mark to identify and distinguish goods or services by blurring or tarnishment, regardless of the presence or absence of either of the following:

(1) Competition between the owner of the famous mark and other parties.

(2) Likelihood of confusion, mistake, or deception.

(l) “Counterfeit” means a spurious trademark, service mark, collective mark, or certification mark that is identical to, or substantially indistinguishable from, a registered mark that is used on or in connection with goods or services or any labels or packaging or components.

(m) “Comparative commercial advertising” means the use of a competitor’s trademark in advertising to compare the relative qualities of the competitive goods.

Article 2. Application for Registration

14205. 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 meets any of the following criteria:

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

(b) It consists of or comprises matter that may disparage or falsely suggest a connection with persons living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute.

(c) It consists of or comprises the flag or coat of arms or other insignia of the United States of America, of any state or municipality, or of any foreign nation, or any simulation thereof.

(d) It consists of or comprises the name, signature, or a portrait identifying a particular living individual, except by the individual’s written consent.

(e) It consists of a mark that is any of the following:

1 (1) When used on or in connection with the goods or services
2 of the applicant, is merely descriptive or deceptively misdescriptive
3 of them.

4 (2) When used on or in connection with the goods or services
5 of the applicant, is primarily geographically descriptive or
6 deceptively misdescriptive of them.

7 (3) Is primarily merely a surname, provided, however, that
8 nothing in this paragraph shall prevent the registration of a mark
9 used by the applicant that has become distinctive of the applicant's
10 goods or services. The secretary may accept as evidence that the
11 mark has become distinctive, as used on or in connection with the
12 applicant's goods or services, proof of continuous use thereof as
13 a mark by the applicant in this state for the five years before the
14 date on which the claim of distinctiveness is made.

15 (f) It consists of or comprises a mark that so resembles a mark
16 registered in this state or a mark or trade name previously used by
17 another and not abandoned, as to be likely, when used on or in
18 connection with the goods or services of the applicant, to cause
19 confusion or mistake, or to deceive.

20 14207. (a) Subject to the limitations set forth in this chapter,
21 any person who uses a mark may file with the secretary, ~~in a~~
22 ~~manner complying with the requirements of~~ *on a form prescribed*
23 *by the secretary*, an application for registration of that mark setting
24 forth, but not limited to, the following information:

25 (1) The name and business address of the person applying for
26 the registration and, if that person is a corporation or partnership,
27 the state of incorporation or the state in which the partnership is
28 organized and the names of the general partners, as specified by
29 the secretary.

30 (2) The goods or services on or in connection with which the
31 mark is used, the mode or manner in which the mark is used on or
32 in connection with the goods or services, and the class in which
33 the goods or services fall.

34 (3) The date on which the mark was first used anywhere and
35 the date when it was first used in this state by the applicant or a
36 predecessor in interest.

37 (4) A statement that the applicant is the owner of the mark, that
38 the mark is in use, and that, to the knowledge of the person
39 verifying the application, no other person has registered, either
40 federally or in this state, or has the right to use the mark either in

1 the identical form or in such near resemblance as to be likely, when
2 applied to the goods or services of the other person, to cause
3 confusion, to cause mistake, or to deceive.

4 (b) The secretary may also require a statement as to whether an
5 application to register the mark, or portions or a composite thereof,
6 has been filed by the applicant or a predecessor in interest with
7 the United States Patent and Trademark Office and, if so, the
8 applicant shall provide full particulars with respect thereto,
9 including the filing date and serial number of each application, the
10 status thereof, and, if any application was finally refused
11 registration or has otherwise not resulted in a registration, the
12 reasons for the refusal or result.

13 (c) The secretary may also require that a drawing of the mark,
14 complying with requirements specified by the secretary, accompany
15 the application.

16 (d) The application shall be signed and verified under penalty
17 of perjury by the applicant or by a member of the firm or an officer
18 of the corporation or association, *or by a general partner of the*
19 *partnership*, making application.

20 (e) The application shall be accompanied by three specimens
21 showing the mark as actually used.

22 (f) The application shall be accompanied by the application fee
23 payable to the secretary as set forth in subdivision (a) of Section
24 12193 of the Government Code.

25 (g) *If the mark or any part of the mark is in any language other*
26 *than English, the application shall be accompanied by a certified*
27 *translation in English.*

28 14209. (a) Upon the filing of an application for registration
29 and payment of the application fee, the secretary may cause the
30 application to be examined for conformity with this chapter.

31 (b) The applicant shall provide any additional pertinent
32 information requested by the secretary, including a description of
33 a design mark, and may make, or authorize the secretary to make,
34 amendments to the application as may be reasonably requested by
35 the secretary or deemed by the applicant to be advisable in order
36 to respond to any rejection or objection.

37 (c) The secretary may require the applicant to disclaim an
38 unregistrable component of an otherwise registrable mark, and
39 an applicant may voluntarily disclaim a component of a mark
40 sought to be registered. No disclaimer shall prejudice or affect the

1 applicant's or registrant's rights, then existing or thereafter arising,
2 in the disclaimed matter, or the applicant's or registrant's rights
3 of registration on another application if the disclaimed matter is
4 or has become distinctive of the applicant's or registrant's goods
5 or services.

6 (d) The secretary may make amendments to the application
7 submitted by the applicant upon the applicant's agreement, or may
8 require the submission of a new application.

9 (e) If an applicant is found not to be entitled to registration, the
10 secretary shall so advise the applicant and shall advise the applicant
11 of the reasons. The applicant shall have a reasonable period of
12 time specified by the secretary in which to reply or to amend the
13 application, in which event the application shall be reexamined.
14 This procedure may be repeated until the secretary finally refuses
15 registration of the mark or the applicant fails to reply or amend
16 within the specified period, whereupon the application shall be
17 deemed to have been abandoned.

18 (f) If the secretary finally refuses registration of the mark, the
19 applicant may seek a writ of mandamus to compel registration. A
20 writ may be granted, but without costs to the secretary, on proof
21 that all statements in the application are true and that the mark is
22 otherwise entitled to registration.

23 (g) In the instance of applications concurrently being processed
24 by the secretary seeking registration of the same or confusingly
25 similar marks for the same or related goods or services, the
26 secretary shall grant priority to the applications in the order of
27 filing. If a prior-filed application is granted a registration, the other
28 application or applications shall then be rejected. Any rejected
29 applicant may bring an action for cancellation of the registration
30 upon grounds of prior or superior rights to the mark, in accordance
31 with the provisions of Section 14230.

32 Article 3. Certificate of Registration

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35 14215. (a) Upon compliance by the applicant with the
36 requirements of this chapter, the secretary shall cause a certificate
37 of registration to be issued and delivered to the applicant. The
38 certificate of registration shall be issued under the signature of the
39 secretary and the seal of the state, and shall show the following
40 information:

1 (1) The name and business address and, if a corporation, the
2 state of incorporation, or if a partnership, the state in which the
3 partnership is organized and the names of the general partners, as
4 specified by the secretary, of the person claiming ownership of
5 the mark.

6 (2) The date claimed for the first use of the mark anywhere and
7 the date claimed for the first use of the mark in this state.

8 (3) The class of goods or services and a description of the goods
9 or services on or in connection with which the mark is used.

10 (4) A reproduction of the mark.

11 (5) The registration date and the term of the registration of the
12 mark.

13 (b) Any certificate of registration issued by the secretary under
14 the provisions of this chapter or a copy thereof duly certified by
15 the secretary shall be admissible in evidence as competent and
16 sufficient proof of the registration of the mark in any action or
17 judicial proceeding in any court of this state.

18 14217. (a) A registration of mark pursuant to this chapter shall
19 be effective for a term of five years from the date of registration
20 and, upon application filed within six months prior to the expiration
21 of the term, in a manner complying with the requirements of the
22 secretary, the registration may be renewed for a like term from the
23 end of the expiring term. A renewal fee, payable to the secretary,
24 shall accompany the application for renewal of the registration as
25 set forth in subdivision (c) of Section 12193 of the Government
26 Code.

27 (b) A registration may be renewed for successive periods of
28 five years in like manner.

29 (c) Any registration in force on January 1, 2008, shall continue
30 in full force and effect for the unexpired term thereof, and may be
31 renewed by filing an application for renewal with the secretary
32 that complies with the requirements of the secretary and payment
33 of the renewal fee within *the* six months prior to the expiration of
34 the registration.

35 (d) All applications for renewal under this chapter, whether of
36 registrations made under this chapter or of registrations effected
37 under any prior act, shall include a verified statement that the mark
38 has been and is still in use and shall include a specimen showing
39 actual use of the mark on, or in connection with, the goods or
40 services with which the mark is associated.

Article 4. Assignments, Changes of Name, and Other
Instruments

14220. (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 instrument in writing duly executed and may be recorded with the secretary upon the payment of the recording fee payable to the secretary as set forth in subdivision (b) of Section 12193 of the Government Code, who, 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 secretary within three months after the date thereof or prior to the 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, *on a form prescribed by the secretary*, record a certificate of change of name of the registrant or applicant with the secretary upon the payment of the recording fee. The secretary may issue in the name of the assignee a certificate of registration of an assigned application or a new certificate or registration for the remainder of the term of the registration or last renewal thereof.

(c) Other instruments that relate to a mark registered or application pending pursuant to this chapter, including, but not limited to, licenses, security interests, and mortgages, may be recorded at the discretion of the secretary, provided that the instrument is in writing and is duly executed.

(d) Acknowledgment shall be prima facie evidence of the execution of an assignment or other instrument and, when recorded by the secretary, the record shall be prima facie evidence of the execution of an assignment.

(e) A photocopy of any instrument referred to in subdivision (a), (b), or (c) shall be accepted for recording if it is certified by any of the parties thereto, or their successors, to be a true and correct copy of the original.

Article 5. Records

14225. The secretary shall keep for public examination a record of all marks registered or renewed under this chapter, as well as a record of all documents recorded pursuant to Section 14220.

Article 6. Cancellation

14230. The secretary shall cancel from the register, in whole or in part, any of the following:

(a) Any registration concerning which the secretary receives a voluntary request for cancellation from the registrant or the assignee of record.

(b) All registrations granted under this chapter and not renewed in accordance with the provisions of this chapter.

(c) Any registration concerning a mark with regard to which a court of competent jurisdiction finds any of the following:

(1) The registered mark has been abandoned.

(2) The registrant is not the owner of the mark.

(3) The registration was granted improperly.

(4) The registration was obtained fraudulently.

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

(6) The registered mark is so similar to a mark 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 hereunder, and not abandoned, as to be likely to cause confusion or mistake, or to deceive. However, should the registrant prove that 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 hereunder shall not be canceled for that area of the state.

(d) Cancellation of a registration ordered on any ground by a court of competent jurisdiction.

(e) Any registration or renewal if a check or other remittance accepted in payment of the filing fee is not paid upon presentation. The secretary shall give written notice of the applicability of this subdivision to the registrant. Thereafter, 30 days shall be allowed from the date of the notification letter for payment by cashier's check or the equivalent.

1 (f) *Within six months of the date of registration, any registration*
2 *issued in error by the secretary that violates the requirements of*
3 *subdivision (f) of Section 14205.*

4
5 Article 7. Classification
6

7 ~~14235. The secretary shall by regulation establish a~~
8 ~~classification of goods and services for convenience of~~
9 ~~administration of this chapter, but not to limit or extend the~~
10 ~~applicant's or registrant's rights, and a single application for~~

11 *14235. The classification of goods and services shall conform*
12 *to the classifications adopted by the United States Patent and*
13 *Trademark Office. A single application for registration of a mark*
14 *may include any or all goods upon which, or services with which,*
15 *the mark is actually being used indicating the appropriate class or*
16 *classes of goods or services. When a single application includes*
17 *goods or services that fall within multiple classes, the secretary*
18 *may require payment of a fee for each class. To the extent practical,*
19 ~~the classification of goods and services should conform to the~~
20 ~~classification adopted by the United States Patent and Trademark~~
21 ~~Office.~~

22
23 Article 8. Fraudulent Registration
24

25 *14240. Any person who, either for himself or herself or on*
26 *behalf of another person, procures the filing or registration of any*
27 *mark pursuant to this chapter by knowingly making any false or*
28 *fraudulent representation or declaration, either orally or in writing,*
29 *or by any other fraudulent means shall be liable to pay all damages*
30 *sustained as a consequence of the filing or registration, to be*
31 *recovered by or on behalf of the party injured thereby in any court*
32 *of competent jurisdiction.*

33
34 Article 9. Violations
35

36 *14245. (a) A person who does any of the following shall be*
37 *subject to a civil action by the owner of the registered mark, and*
38 *the remedies provided in Section 14250:*

39 *(1) Uses, without the consent of the registrant, any reproduction,*
40 *counterfeit, copy, or colorable imitation of a mark registered under*

1 this chapter in connection with the sale, distribution, offering for
2 sale, or advertising of any goods or services on or in connection
3 with which the use is likely to cause confusion or mistake, or to
4 deceive as to the source of origin of such goods or services.

5 (2) Reproduces, counterfeits, copies, or colorably imitates any
6 such mark and applies the reproduction, counterfeit, copy, or
7 colorable imitation to labels, signs, prints, packages, wrappers,
8 receptacles, or advertisements intended to be used upon or in
9 connection with the sale or other distribution in this state of any
10 goods or services. The registrant shall not be entitled under this
11 paragraph to recover profits or damages unless the acts have been
12 committed with knowledge that the mark is intended to be used
13 to cause confusion or mistake, or to deceive.

14 (3) Knowingly facilitate, enable, or otherwise assist a person to
15 manufacture, use, distribute, display, or sell any goods or services
16 bearing any reproduction, counterfeit, copy, or colorable imitation
17 of a mark registered under this chapter, without the consent of the
18 registrant. Any action by a person is presumed to have been taken
19 knowingly following delivery to that person by personal delivery,
20 courier, or certified mail return receipt requested, of a written
21 demand to cease and desist that is accompanied by all of the
22 following:

23 (A) A copy of the certificate of registration and of any claimed
24 reproduction, counterfeit, copy, or colorable imitation of the
25 registered mark.

26 (B) A statement, made under penalty of perjury, by the owner
27 of the registered mark, by an officer of the corporation that owns
28 the registered mark, or by legal counsel for the owner of the
29 registered mark, that includes all of the following:

- 30 (i) The name or description of the infringer.
31 (ii) The product or service and mark being or to be infringed.
32 (iii) The dates of the infringement.
33 (iv) Any other reasonable information to assist the recipient to
34 identify the infringer.

35 (4) The presumption created by paragraph (3) does not affect
36 the owner's burden of showing that there was a violation of this
37 chapter.

38 (5) Paragraph (3) is applicable to a landlord or property owner
39 who provides, rents, leases, or licenses the use of real property
40 where any goods or services bearing any reproduction, counterfeit,

1 copy, or colorable imitation of a mark registered pursuant to this
2 chapter are sold, offered for sale, or advertised, where the landlord
3 or property owner had control of the property and knew, or had
4 reason to know, of the infringing activity.

5 (b) Notwithstanding any other provision of this chapter, the
6 remedies given to the owner of the right infringed pursuant to this
7 section are limited as follows:

8 (1) If an infringer or violator is engaged solely in the business
9 of printing the mark or violating matter for others and establishes
10 that he or she was an innocent infringer or innocent violator, the
11 owner of the right infringed is entitled only to an injunction against
12 future printing of the mark by the innocent infringer or innocent
13 violator.

14 (2) If the infringement complained of is contained in, or is part
15 of, paid advertising matter in a newspaper, magazine, or other
16 similar periodical, or in an electronic communication as defined
17 in subsection (12) of Section 2510 of Title 18 of the United States
18 Code, the remedies of the owner of the right infringed against the
19 publisher or distributor of the newspaper, magazine, or other
20 similar periodical or electronic communication shall be confined
21 to an injunction against the presentation of the advertising matter
22 in future issues of the newspapers, magazines, or other similar
23 periodicals or in further transmissions of the electronic
24 communication. The limitation of this subdivision shall apply only
25 to innocent infringers and innocent violators.

26 (3) Injunctive relief is not available to the owner of the right
27 infringed with respect to an issue of a newspaper, magazine, or
28 other similar periodical or electronic communication containing
29 infringing matter if restraining the dissemination of the infringing
30 matter in any particular issue of the periodical or in an electronic
31 communication would delay the delivery of the issue or
32 transmission of the electronic communication after the regular
33 time for delivery and the delay would be due to the method by
34 which publication and distribution of the periodical or transmission
35 of the electronic communication is customarily conducted in
36 accordance with sound business practice, and not to any method
37 or device adopted for the evasion of this section or to prevent or
38 delay the issuance of an injunction or restraining order with respect
39 to the infringing matter.

1 (c) An innocent infringer or innocent violator is any person
2 whose acts were committed without knowledge that the mark was
3 intended to be used to cause confusion, mistake, or to deceive.

4 (d) Any person who uses or unlawfully infringes upon a mark
5 registered under this chapter or under Title 15 of the United States
6 Code, other than in an otherwise noninfringing manner, either on
7 the person's own goods or services or to describe the person's own
8 goods or services, irrespective of whether the mark is used
9 primarily as an ornament, decoration, garnishment, or
10 embellishment on or in products, merchandise, or goods, for the
11 purpose of enhancing the commercial value of, or selling or
12 soliciting purchases of, products, merchandise, goods, or services,
13 without prior consent of the owner of the mark, shall be subject
14 to an injunction against that use by the owner of the mark. Nothing
15 in this section shall be construed to prohibit comparative
16 commercial advertising.

17 14247. (a) The owner of a mark that is famous in this state
18 shall be entitled, subject to the principles of equity and upon such
19 terms as the court seems reasonable, to an injunction against
20 another person's commercial use of a mark or trade name, if such
21 use begins after the mark has become famous and is likely to cause
22 dilution of the distinctive quality of the mark, and to obtain such
23 other relief as is provided in this section. In determining whether
24 a mark is distinctive and famous, a court may consider factors
25 including, but not limited to, all of the following:

26 (1) The degree of inherent or acquired distinctiveness of the
27 mark in this state.

28 (2) The duration and extent of use of the mark in connection
29 with the goods and services with which the mark is used.

30 (3) The duration and extent of advertising and publicity of the
31 mark in this state.

32 (4) The geographical extent of the trading area in which the
33 mark is used.

34 (5) The channels of trade for the goods or services with which
35 the mark is used.

36 (6) The degree of recognition of the mark in the trading areas
37 and channels of trade in this state used by the mark's owner and
38 the person against whom the injunction is sought.

39 (7) The nature and extent of use of the same or similar mark by
40 third parties.

1 (8) Whether the mark is the subject of a state registration in this
2 state, or a federal registration under the Act of March 3, 1881, or
3 under the Act of February 20, 1905, or on the principal register.

4 (b) In an action brought under this section, the owner of a
5 famous mark shall be entitled only to injunctive relief in this state,
6 unless the person against whom the injunctive relief is sought
7 willfully intended to trade on the owner's reputation or to cause
8 dilution of the famous mark. If willful intent is proven, the owner
9 shall also be entitled to the remedies set forth in Section 14250,
10 subject to the discretion of the court and the principles of equity.
11 The following shall not be actionable under this section:

12 (1) Fair use of a famous mark by another person in comparative
13 commercial advertising or promotion to identify the competing
14 goods or services of the owner of the famous mark.

15 (2) Noncommercial use of the mark.

16 (3) All forms of news reporting and news commentary.

17 14250. (a) Any owner of a mark registered under this chapter
18 may proceed by suit to enjoin the manufacture, use, display, or
19 sale of any counterfeits thereof and any court of competent
20 jurisdiction may grant injunctions to restrain the manufacture, use,
21 display, or sale as may be deemed just and reasonable, and shall
22 require the defendants to pay to the owner up to three times their
23 profits from, and up to three times all damages suffered by reason
24 of, the wrongful manufacture, use, display, or sale. If, in any action
25 brought under this section, the court determines that any goods in
26 the possession of or services offered by a defendant bear or consist
27 of a counterfeit mark, the court shall order the destruction of any
28 goods, labels, packaging or any components bearing the counterfeit
29 mark and all instrumentalities used in the production of the
30 counterfeit goods, including, but not limited to, any items, objects,
31 tools, machines or equipment or, after obliteration of the counterfeit
32 mark, the court may dispose of those materials by ordering their
33 transfer to the state, a civil claimant, an eleemosynary institution,
34 or any appropriate private person other than the person from whom
35 the materials were obtained.

36 (b) The court, upon motion or ex parte application by a plaintiff
37 in a suit to enjoin the manufacture, use, display, or sale of
38 counterfeits, may order seizure of any goods, labels, packaging or
39 any components bearing the counterfeit mark and all
40 instrumentalities used in the production of the counterfeit goods,

including, but not limited to, any items, objects, tools, machines or equipment from persons manufacturing, displaying for sale, or selling the goods, upon a showing of good cause and a probability of success on the merits and upon the posting of an undertaking pursuant to subdivision (e). If it appears from the ex parte application that there is good reason for proceeding without notification to the defendant, the court may, for good cause shown, waive the requirement of notice for the ex parte proceeding. The order of seizure shall specifically set forth all of the following:

(1) The date or dates on which the seizure is ordered to take place.

(2) A description of the counterfeit goods to be seized.

(3) The identity of the persons or class of persons to effect seizure.

(4) A description of the location or locations at which seizure is to occur.

(5) A hearing date not more than 10 court days after the last date on which seizure is ordered at which any person from whom goods are seized may appear and seek release of the seized goods. Any person from whom seizure is effected shall be served with the order at the time of seizure.

(c) Any person who causes seizure of goods that are not counterfeit shall be liable in an amount equal to the following:

(1) Any damages proximately caused to any person having a financial interest in the seized goods by the seizure of goods that are not counterfeit.

(2) Costs incurred in defending against seizure of noncounterfeit goods.

(3) Upon a showing that the person causing the seizure to occur acted in bad faith, expenses, including reasonable attorneys' fees expended in defending against the seizure of any noncounterfeit or noninfringing goods.

(4) Punitive damages, if warranted.

(d) A person entitled to recover pursuant to subdivision (c) may seek a recovery by cross-claim or motion made in the trial court and served pursuant to Section 1011 of the Code of Civil Procedure. A person seeking a recovery pursuant to this section may join any surety on an undertaking posted pursuant to subdivision (b), and any judgment of liability shall bind the person liable pursuant to subdivision (c) and the surety jointly and

1 severally, but the liability of the surety shall be limited to the
2 amount of the undertaking.

3 (e) The court shall set the amount of the undertaking required
4 by subdivision (b) in accordance with the probable recovery of
5 damages, costs, and expenses under subdivision (c) if it were
6 ultimately determined that the goods seized were not counterfeit.

7 (f) Any person entitled to recover under subdivision (c) may,
8 within 30 days after the date of seizure, object to the undertaking
9 on the grounds that the surety or the amount of undertaking is
10 insufficient.

11 (g) The motion or application filed pursuant to subdivision (b)
12 shall include a statement advising the person from whom the goods
13 are seized that the undertaking has been filed, informing him or
14 her of his or her right to object to the undertaking on the grounds
15 that the surety or the amount of the undertaking is insufficient, and
16 advising the person from whom the goods are seized that an
17 objection to the undertaking must be made within 30 days after
18 the date of seizure.

19 14252. The enumeration of any right or remedy herein shall
20 not affect a registrant's right to prosecute under any penal law of
21 this state, including, but not limited to, Section 350 of the Penal
22 Code.

23 14254. (a) Actions to require cancellation of a mark registered
24 pursuant to this chapter or in mandamus to compel registration of
25 a mark pursuant to this chapter shall be brought in the superior
26 court.

27 (b) In an action in mandamus, the proceeding shall be based
28 solely upon the record before the secretary. In an action for
29 cancellation, the secretary shall not be made a party to the
30 proceeding, but shall be notified of the filing of the complaint by
31 the clerk of the court in which it is filed and shall be given the
32 right to intervene in the action.

33 (c) In any action brought against a nonresident registrant, service
34 may be effected upon the secretary as agent for service of the
35 registrant in accordance with the procedures established for service
36 upon nonresident corporations and business entities under Sections
37 416.10 to 416.40, inclusive, of the Code of Civil Procedure, and
38 Sections 2110, 2111, and 2114 of the Corporations Code.

1 14259. Nothing herein shall adversely affect the rights or the
2 enforcement of rights in marks acquired in good faith at any time
3 within common law.

4
5 Article 10. Fees
6

7 14260. ~~The secretary shall by regulation prescribe the fees~~
8 ~~payable for the various applications and recording fees and for~~
9 ~~related services.~~ Unless specified by the secretary, the fees payable
10 herein are not refundable.

11
12 Article 11. Severability
13

14 14265. If any provision of this chapter, or the application of
15 such provision to any person or circumstance is held invalid, the
16 remainder of this chapter shall not be affected thereby.

17
18 Article 12. Miscellaneous
19

20 14270. This chapter shall not affect any suit, proceeding, or
21 appeal pending on January 1, 2008.

22 14272. The intent of this chapter is to provide a system of state
23 trademark registration and protection substantially consistent with
24 the federal system of trademark registration and protection under
25 the Trademark Act of 1946 (15 U.S.C. Sec. 1051 et seq.), as
26 amended. To that end, the construction given the federal act should
27 be examined as persuasive authority for interpreting and construing
28 this chapter.

29 SEC. 3. No reimbursement is required by this act pursuant to
30 Section 6 of Article XIII B of the California Constitution because
31 the only costs that may be incurred by a local agency or school
32 district will be incurred because this act creates a new crime or
33 infraction, eliminates a crime or infraction, or changes the penalty
34 for a crime or infraction, within the meaning of Section 17556 of
35 the Government Code, or changes the definition of a crime within
36 the meaning of Section 6 of Article XIII B of the California
37 Constitution.