

AMENDED IN SENATE JUNE 28, 2007

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~~ *include a declaration of accuracy signed by a specified*

person and would subject that person to a civil penalty of not more than \$10,000 for willfully stating as true in the declaration any material fact he or she knows to be false. 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 bill would revise and recast the provisions dealing with actions and remedies for violation of a registered mark.*

~~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~~no.

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.

1 (b) “Service mark” means any word, name, symbol, or device,
2 or any combination thereof, used by a person to identify and
3 distinguish the services of that person, including a unique service,
4 from the services of others, and to indicate the source of the
5 services, even if that source is unknown. Titles, character names
6 used by a person, and other distinctive features of radio or
7 television programs may be registered as service marks
8 notwithstanding that they, or the programs, may advertise the goods
9 of the sponsor.

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

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

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

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

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

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

31 (1) On goods when it is placed in any manner on the goods or
32 other containers or the displays associated therewith or on the tags
33 or labels affixed thereto, or if the nature of the goods makes that
34 placement impracticable, then on documents associated with the
35 goods or their sale, and the goods are sold or transported in
36 commerce in this state.

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

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

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

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

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

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

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

17 (2) ~~Likelihood of~~Actual or likely confusion, mistake, or
18 deception.

19 (3) Actual economic injury.

20 (l) “Dilution by blurring” means association arising from the
21 similarity between a mark or a trade name and a famous mark
22 that impairs the distinctiveness of the famous mark.

23 (m) “Dilution by tarnishment” means association arising from
24 the similarity between a mark or a trade name and a famous mark
25 that harms the reputation of the famous mark.

26 ~~(t)~~

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

32 ~~(m)~~

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

36

37 Article 2. Application for Registration

38

39 14205. A mark by which the goods or services of any applicant
40 for registration may be distinguished from the goods or services

1 of others shall not be registered if it meets any of the following
2 criteria:

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

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

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

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

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

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

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

22 (3) Is primarily merely a surname, provided, however, that
23 nothing in this paragraph shall prevent the registration of a mark
24 used by the applicant that has become distinctive of the applicant's
25 goods or services. The secretary may accept as evidence that the
26 mark has become distinctive, as used on or in connection with the
27 applicant's goods or services, proof of continuous use thereof as
28 a mark by the applicant in this state for the five years before the
29 date on which the claim of distinctiveness is made.

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

35 14207. (a) Subject to the limitations set forth in this chapter,
36 any person who uses a mark may file with the secretary, on a form
37 prescribed by the secretary, an application for registration of that
38 mark setting forth, but not limited to, the following information:

39 (1) The name and business address of the person applying for
40 the registration and, if that person is a corporation or partnership,

1 the state of incorporation or the state in which the partnership is
2 organized and the names of the general partners, as specified by
3 the secretary.

4 (2) The goods or services on or in connection with which the
5 mark is used, the mode or manner in which the mark is used on or
6 in connection with the goods or services, and the class in which
7 the goods or services fall.

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

11 (4) A statement that the applicant is the owner of the mark, that
12 the mark is in use, and that, to the knowledge of the person
13 verifying the application, no other person has registered, either
14 federally or in this state, or has the right to use the mark either in
15 the identical form or in such near resemblance as to be likely, when
16 applied to the goods or services of the other person, to cause
17 confusion, to cause mistake, or to deceive.

18 (b) The secretary may also require a statement as to whether an
19 application to register the mark, or portions or a composite thereof,
20 has been filed by the applicant or a predecessor in interest with
21 the United States Patent and Trademark Office and, if so, the
22 applicant shall provide full particulars with respect thereto,
23 including the filing date and serial number of each application, the
24 status thereof, and, if any application was finally refused
25 registration or has otherwise not resulted in a registration, the
26 reasons for the refusal or result.

27 (c) The secretary may also require that a drawing of the mark,
28 complying with requirements specified by the secretary, accompany
29 the application.

30 (d) ~~The application shall be signed and verified under penalty~~
31 ~~of perjury~~ *include a declaration of accuracy signed by the applicant*
32 *or by a member of the firm or an officer of the corporation or*
33 *association, or by a general partner of the partnership, making*
34 *application. If the person signing the declaration willfully states*
35 *as true in the declaration any material fact that he or she knows*
36 *to be false, he or she shall be subject to a civil penalty of not more*
37 *than ten thousand dollars (\$10,000). An action for that penalty*
38 *may be brought by any public prosecutor. The person signing the*
39 *declaration shall be informed of this penalty in writing.*

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

3 (f) The application shall be accompanied by the application fee
4 payable to the secretary as set forth in subdivision (a) of Section
5 12193 of the Government Code.

6 (g) If the mark or any part of the mark is in any language other
7 than English, the application shall be accompanied by a certified
8 translation in English.

9 14209. (a) Upon the filing of an application for registration
10 and payment of the application fee, the secretary may cause the
11 application to be examined for conformity with this chapter.

12 (b) The applicant shall provide any additional pertinent
13 information requested by the secretary, including a description of
14 a design mark, and may make, or authorize the secretary to make,
15 amendments to the application as may be reasonably requested by
16 the secretary or deemed by the applicant to be advisable in order
17 to respond to any rejection or objection.

18 (c) The secretary may require the applicant to disclaim an
19 unregistrable component of an otherwise registrable mark, and
20 an applicant may voluntarily disclaim a component of a mark
21 sought to be registered. No disclaimer shall prejudice or affect the
22 applicant's or registrant's rights, then existing or thereafter arising,
23 in the disclaimed matter, or the applicant's or registrant's rights
24 of registration on another application if the disclaimed matter is
25 or has become distinctive of the applicant's or registrant's goods
26 or services.

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

30 (e) If an applicant is found not to be entitled to registration, the
31 secretary shall so advise the applicant and shall advise the applicant
32 of the reasons. The applicant shall have a reasonable period of
33 time specified by the secretary in which to reply or to amend the
34 application, in which event the application shall be reexamined.
35 This procedure may be repeated until the secretary finally refuses
36 registration of the mark or the applicant fails to reply or amend
37 within the specified period, whereupon the application shall be
38 deemed to have been abandoned.

39 (f) If the secretary finally refuses registration of the mark, the
40 applicant may seek a writ of mandamus to compel registration. A

1 writ may be granted, but without costs to the secretary, on proof
2 that all statements in the application are true and that the mark is
3 otherwise entitled to registration.

4 (g) In the instance of applications concurrently being processed
5 by the secretary seeking registration of the same or confusingly
6 similar marks for the same or related goods or services, the
7 secretary shall grant priority to the applications in the order of
8 filing. If a prior-filed application is granted a registration, the other
9 application or applications shall then be rejected. Any rejected
10 applicant may bring an action for cancellation of the registration
11 upon grounds of prior or superior rights to the mark, in accordance
12 with the provisions of Section 14230.

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Article 3. Certificate of Registration

16 14215. (a) Upon compliance by the applicant with the
17 requirements of this chapter, the secretary shall cause a certificate
18 of registration to be issued and delivered to the applicant. The
19 certificate of registration shall be issued under the signature of the
20 secretary and the seal of the state, and shall show the following
21 information:

22 (1) The name and business address and, if a corporation, the
23 state of incorporation, or if a partnership, the state in which the
24 partnership is organized and the names of the general partners, as
25 specified by the secretary, of the person claiming ownership of
26 the mark.

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

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

31 (4) A reproduction of the mark.

32 (5) The registration date and the term of the registration of the
33 mark.

34 (b) Any certificate of registration issued by the secretary under
35 the provisions of this chapter or a copy thereof duly certified by
36 the secretary shall be admissible in evidence as competent and
37 sufficient proof of the registration of the mark in any action or
38 judicial proceeding in any court of this state.

39 14217. (a) A registration of mark pursuant to this chapter shall
40 be effective for a term of five years from the date of registration

1 and, upon application filed within six months prior to the expiration
2 of the term, in a manner complying with the requirements of the
3 secretary, the registration may be renewed for a like term from the
4 end of the expiring term. A renewal fee, payable to the secretary,
5 shall accompany the application for renewal of the registration as
6 set forth in subdivision (c) of Section 12193 of the Government
7 Code.

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

10 (c) Any registration in force on January 1, 2008, shall continue
11 in full force and effect for the unexpired term thereof, and may be
12 renewed by filing an application for renewal with the secretary
13 that complies with the requirements of the secretary and payment
14 of the renewal fee within the six months prior to the expiration of
15 the registration.

16 (d) All applications for renewal under this chapter, whether of
17 registrations made under this chapter or of registrations effected
18 under any prior act, shall include a verified statement that the mark
19 has been and is still in use and shall include a specimen showing
20 actual use of the mark on, or in connection with, the goods or
21 services with which the mark is associated.

22

23 Article 4. Assignments, Changes of Name, and Other
24 Instruments
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26 14220. (a) Any mark and its registration hereunder shall be
27 assignable with the good will of the business in which the mark is
28 used, or with that part of the good will of the business connected
29 with the use of and symbolized by the mark. Assignment shall be
30 by instrument in writing duly executed and may be recorded with
31 the secretary upon the payment of the recording fee payable to the
32 secretary as set forth in subdivision (b) of Section 12193 of the
33 Government Code, who, upon recording of the assignment, shall
34 issue in the name of the assignee a new certificate for the remainder
35 of the term of the registration or of the last renewal thereof. An
36 assignment of any registration under this chapter shall be void as
37 against any subsequent purchaser for valuable consideration
38 without notice, unless it is recorded with the secretary within three
39 months after the date thereof or prior to the subsequent purchase.

1 (b) Any registrant or applicant effecting a change of the name
 2 of the person to whom the mark was issued or for whom an
 3 application was filed may, on a form prescribed by the secretary,
 4 record a certificate of change of name of the registrant or applicant
 5 with the secretary upon the payment of the recording fee. The
 6 secretary may issue in the name of the assignee a certificate of
 7 registration of an assigned application or a new certificate or
 8 registration for the remainder of the term of the registration or last
 9 renewal thereof.

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

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

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

23

Article 5. Records

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 26 14225. The secretary shall keep for public examination a record
 27 of all marks registered or renewed under this chapter, as well as a
 28 record of all documents recorded pursuant to Section 14220.

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Article 6. Cancellation

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 32 14230. The secretary shall cancel from the register, in whole
 33 or in part, any of the following:

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

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

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

- 1 (1) The registered mark has been abandoned.
- 2 (2) The registrant is not the owner of the mark.
- 3 (3) The registration was granted improperly.
- 4 (4) The registration was obtained fraudulently.
- 5 (5) The mark is or has become the generic name for the goods
- 6 or services, or a portion thereof, for which it has been registered.
- 7 (6) The registered mark is so similar to a mark registered by
- 8 another person in the United States Patent and Trademark Office
- 9 prior to the date of the filing of the application for registration by
- 10 the registrant hereunder, and not abandoned, as to be likely to
- 11 cause confusion or mistake, or to deceive. However, should the
- 12 registrant prove that the registrant is the owner of a concurrent
- 13 registration of a mark in the United States Patent and Trademark
- 14 Office covering an area including this state, the registration
- 15 hereunder shall not be canceled for that area of the state.
- 16 (d) Cancellation of a registration ordered on any ground by a
- 17 court of competent jurisdiction.
- 18 (e) Any registration or renewal if a check or other remittance
- 19 accepted in payment of the filing fee is not paid upon presentation.
- 20 The secretary shall give written notice of the applicability of this
- 21 subdivision to the registrant. Thereafter, 30 days shall be allowed
- 22 from the date of the notification letter for payment by cashier's
- 23 check or the equivalent.
- 24 (f) Within six months of the date of registration, any registration
- 25 issued in error by the secretary that violates the requirements of
- 26 subdivision (f) of Section 14205.

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28 Article 7. Classification

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30 14235. The classification of goods and services shall conform
31 to the classifications adopted by the United States Patent and
32 Trademark Office. A single application for registration of a mark
33 may include any or all goods upon which, or services with which,
34 the mark is actually being used indicating the appropriate class or
35 classes of goods or services. When a single application includes
36 goods or services that fall within multiple classes, the secretary
37 may require payment of a fee for each class.

Article 8. Fraudulent Registration

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 3 14240. Any person who, either for himself or herself or on
 4 behalf of another person, procures the filing or registration of any
 5 mark pursuant to this chapter by knowingly making any false or
 6 fraudulent representation or declaration, either orally or in writing,
 7 or by any other fraudulent means shall be liable to pay all damages
 8 sustained as a consequence of the filing or registration, to be
 9 recovered by or on behalf of the party injured thereby in any court
 10 of competent jurisdiction.

Article 9. Violations

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 14 14245. (a) A person who does any of the following shall be
 15 subject to a civil action by the owner of the registered mark, and
 16 the remedies provided in Section 14250:

17 (1) Uses, without the consent of the registrant, any reproduction,
 18 counterfeit, copy, or colorable imitation of a mark registered under
 19 this chapter in connection with the sale, distribution, offering for
 20 sale, or advertising of any goods or services on or in connection
 21 with which the use is likely to cause confusion or mistake, or to
 22 deceive as to the source of origin of such goods or services.

23 (2) Reproduces, counterfeits, copies, or colorably imitates any
 24 such mark and applies the reproduction, counterfeit, copy, or
 25 colorable imitation to labels, signs, prints, packages, wrappers,
 26 receptacles, or advertisements intended to be used upon or in
 27 connection with the sale or other distribution in this state of any
 28 goods or services. The registrant shall not be entitled under this
 29 paragraph to recover profits or damages unless the acts have been
 30 committed with knowledge that the mark is intended to be used
 31 to cause confusion or mistake, or to deceive.

32 (3) Knowingly facilitate, enable, or otherwise assist a person to
 33 manufacture, use, distribute, display, or sell any goods or services
 34 bearing any reproduction, counterfeit, copy, or colorable imitation
 35 of a mark registered under this chapter, without the consent of the
 36 registrant. Any action by a person is presumed to have been taken
 37 knowingly following delivery to that person by personal delivery,
 38 courier, or certified mail return receipt requested, of a written
 39 demand to cease and desist that is accompanied by all of the
 40 following:

1 (A) A copy of the certificate of registration and of any claimed
2 reproduction, counterfeit, copy, or colorable imitation of the
3 registered mark.

4 (B) A statement, made under penalty of perjury, by the owner
5 of the registered mark, by an officer of the corporation that owns
6 the registered mark, or by legal counsel for the owner of the
7 registered mark, that includes all of the following:

8 (i) The name or description of the infringer.

9 (ii) The product or service and mark being or to be infringed.

10 (iii) The dates of the infringement.

11 (iv) Any other reasonable information to assist the recipient to
12 identify the infringer.

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

16 (5) Paragraph (3) is applicable to a landlord or property owner
17 who provides, rents, leases, or licenses the use of real property
18 where any goods or services bearing any reproduction, counterfeit,
19 copy, or colorable imitation of a mark registered pursuant to this
20 chapter are sold, offered for sale, or advertised, where the landlord
21 or property owner had control of the property and knew, or had
22 reason to know, of the infringing activity.

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

26 (1) If an infringer or violator is engaged solely in the business
27 of printing the mark or violating matter for others and establishes
28 that he or she was an innocent infringer or innocent violator, the
29 owner of the right infringed is entitled only to an injunction against
30 future printing of the mark by the innocent infringer or innocent
31 violator.

32 (2) If the infringement complained of is contained in, or is part
33 of, paid advertising matter in a newspaper, magazine, or other
34 similar periodical, or in an electronic communication as defined
35 in subsection (12) of Section 2510 of Title 18 of the United States
36 Code, the remedies of the owner of the right infringed against the
37 publisher or distributor of the newspaper, magazine, or other
38 similar periodical or electronic communication shall be confined
39 to an injunction against the presentation of the advertising matter
40 in future issues of the newspapers, magazines, or other similar

1 periodicals or in further transmissions of the electronic
2 communication. The limitation of this subdivision shall apply only
3 to innocent infringers and innocent violators.

4 (3) Injunctive relief is not available to the owner of the right
5 infringed with respect to an issue of a newspaper, magazine, or
6 other similar periodical or electronic communication containing
7 infringing matter if restraining the dissemination of the infringing
8 matter in any particular issue of the periodical or in an electronic
9 communication would delay the delivery of the issue or
10 transmission of the electronic communication after the regular
11 time for delivery and the delay would be due to the method by
12 which publication and distribution of the periodical or transmission
13 of the electronic communication is customarily conducted in
14 accordance with sound business practice, and not to any method
15 or device adopted for the evasion of this section or to prevent or
16 delay the issuance of an injunction or restraining order with respect
17 to the infringing matter.

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

21 (d) Any person who uses or unlawfully infringes upon a mark
22 registered under this chapter or under Title 15 of the United States
23 Code, other than in an otherwise noninfringing manner, either on
24 the person's own goods or services or to describe the person's own
25 goods or services, irrespective of whether the mark is used
26 primarily as an ornament, decoration, garnishment, or
27 embellishment on or in products, merchandise, or goods, for the
28 purpose of enhancing the commercial value of, or selling or
29 soliciting purchases of, products, merchandise, goods, or services,
30 without prior consent of the owner of the mark, shall be subject
31 to an injunction against that use by the owner of the mark. Nothing
32 in this section shall be construed to prohibit comparative
33 commercial advertising.

34 ~~14247. (a) The owner of a mark that is famous in this state~~
35 ~~shall be entitled, subject to the principles of equity and upon such~~
36 ~~terms as the court seems reasonable,~~

37 *14247. (a) Subject to the principles of equity, an owner of a*
38 *mark that is famous and distinctive, whether inherently or through*
39 *acquired distinctiveness, shall be entitled to an injunction against*
40 *another person's commercial use of a mark or trade name, if such*

1 use begins after the mark has become famous and is likely to cause
2 dilution of the ~~distinctive quality of the~~ famous mark, and to obtain
3 such other relief as is provided in this section. *For purposes of this*
4 *subdivision, a mark is famous if it is widely recognized by the*
5 *general consuming public of this state, or by a geographic area*
6 *of this state, as a designation of source of the goods or services*
7 *of the mark's owner. In determining whether a mark is distinctive*
8 *and famous, a court may consider factors including, but not limited*
9 *to, all of the following:*

10 ~~(1) The degree of inherent or acquired distinctiveness of the~~
11 ~~mark in this state.~~

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

14 ~~(3) The duration and extent of advertising and publicity of the~~
15 ~~mark in this state.~~

16 ~~(4) The geographical extent of the trading area in which the~~
17 ~~mark is used.~~

18 ~~(5) The channels of trade for the goods or services with which~~
19 ~~the mark is used.~~

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

23 ~~(7) The nature and extent of use of the same or similar mark by~~
24 ~~third parties.~~

25 *(1) The duration, extent, and geographic reach of advertising*
26 *and publicity of the mark in this state, whether advertised or*
27 *publicized by the owner or third parties.*

28 *(2) The amount, volume, and geographic extent of sales in this*
29 *state of goods or services offered under the mark.*

30 *(3) The extent of actual recognition of the mark in this state.*

31 ~~(8)~~

32 *(4) Whether the mark is the subject of a state registration in this*
33 *state, or a federal registration under the Act of March 3, 1881, or*
34 *under the Act of February 20, 1905, or on the principal register*
35 *under the Trademark Act of 1946 (15 U.S.C. Sec. 1051 et seq.),*
36 *as amended.*

37 *(b) In an action brought under this section, the owner of a*
38 *famous mark shall be entitled only to injunctive relief in this state,*
39 *unless the person against whom the injunctive relief is sought*
40 *willfully intended to trade on the owner's reputation or to cause*

1 ~~dilution of the famous mark. If willful intent is proven, the owner~~
 2 ~~throughout the geographic area in which the mark is found to have~~
 3 ~~become famous prior to commencement of the junior use, but not~~
 4 ~~beyond the borders of this state. If the person against whom~~
 5 ~~injunctive relief is sought willfully intended to cause dilution of~~
 6 ~~the famous mark, the owner shall also be entitled to the remedies~~
 7 set forth in Section 14250, subject to the discretion of the court
 8 and the principles of equity. The following shall not be actionable
 9 under this section:

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

13 *(1) Any fair use, including a nominative or descriptive fair use,*
 14 *or facilitation of such fair use, of a famous mark by another person*
 15 *other than as a designation of source for the person's own goods*
 16 *or services, including use in connection with either of the*
 17 *following:*

18 *(A) Advertising or promotion that permits consumers to compare*
 19 *goods or services.*

20 *(B) Identifying and parodying, criticizing, or commenting upon*
 21 *the famous mark owner or the goods or services of the famous*
 22 *mark owner.*

23 (2) Noncommercial use of the mark.

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

25 14250. (a) Any owner of a mark registered under this chapter
 26 may proceed by suit to enjoin the manufacture, use, display, or
 27 sale of any counterfeits thereof and any court of competent
 28 jurisdiction may grant injunctions to restrain the manufacture, use,
 29 display, or sale as may be deemed just and reasonable, and shall
 30 require the defendants to pay to the owner up to three times their
 31 profits from, and up to three times all damages suffered by reason
 32 of, the wrongful manufacture, use, display, or sale. If, in any action
 33 brought under this section, the court determines that any goods in
 34 the possession of or services offered by a defendant bear or consist
 35 of a counterfeit mark, the court shall order the destruction of any
 36 goods, labels, packaging or any components bearing the counterfeit
 37 mark and all instrumentalities used in the production of the
 38 counterfeit goods, including, but not limited to, any items, objects,
 39 tools, machines or equipment or, after obliteration of the counterfeit
 40 mark, the court may dispose of those materials by ordering their

1 transfer to the state, a civil claimant, an eleemosynary institution,
2 or any appropriate private person other than the person from whom
3 the materials were obtained.

4 (b) The court, upon motion or ex parte application by a plaintiff
5 in a suit to enjoin the manufacture, use, display, or sale of
6 counterfeits, may order seizure of any goods, labels, packaging or
7 any components bearing the counterfeit mark and all
8 instrumentalities used in the production of the counterfeit goods,
9 including, but not limited to, any items, objects, tools, machines
10 or equipment from persons manufacturing, displaying for sale, or
11 selling the goods, upon a showing of good cause and a probability
12 of success on the merits and upon the posting of an undertaking
13 pursuant to subdivision (e). If it appears from the ex parte
14 application that there is good reason for proceeding without
15 notification to the defendant, the court may, for good cause shown,
16 waive the requirement of notice for the ex parte proceeding. The
17 order of seizure shall specifically set forth all of the following:

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

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

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

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

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

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

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

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

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

1 (4) Punitive damages, if warranted.

2 (d) A person entitled to recover pursuant to subdivision (c) may
3 seek a recovery by cross-claim or motion made in the trial court
4 and served pursuant to Section 1011 of the Code of Civil
5 Procedure. A person seeking a recovery pursuant to this section
6 may join any surety on an undertaking posted pursuant to
7 subdivision (b), and any judgment of liability shall bind the person
8 liable pursuant to subdivision (c) and the surety jointly and
9 severally, but the liability of the surety shall be limited to the
10 amount of the undertaking.

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

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

19 (g) The motion or application filed pursuant to subdivision (b)
20 shall include a statement advising the person from whom the goods
21 are seized that the undertaking has been filed, informing him or
22 her of his or her right to object to the undertaking on the grounds
23 that the surety or the amount of the undertaking is insufficient, and
24 advising the person from whom the goods are seized that an
25 objection to the undertaking must be made within 30 days after
26 the date of seizure.

27 14252. The enumeration of any right or remedy herein shall
28 not affect a registrant's right to prosecute under any penal law of
29 this state, including, but not limited to, Section 350 of the Penal
30 Code.

31 14254. (a) Actions to require cancellation of a mark registered
32 pursuant to this chapter or in mandamus to compel registration of
33 a mark pursuant to this chapter shall be brought in the superior
34 court.

35 (b) In an action in mandamus, the proceeding shall be based
36 solely upon the record before the secretary. In an action for
37 cancellation, the secretary shall not be made a party to the
38 proceeding, but shall be notified of the filing of the complaint by
39 the clerk of the court in which it is filed and shall be given the
40 right to intervene in the action.

1 (c) In any action brought against a nonresident registrant, service
2 may be effected upon the secretary as agent for service of the
3 registrant in accordance with the procedures established for service
4 upon nonresident corporations and business entities under Sections
5 416.10 to 416.40, inclusive, of the Code of Civil Procedure, and
6 Sections 2110, 2111, and 2114 of the Corporations Code.

7 14259. Nothing herein shall adversely affect the rights or the
8 enforcement of rights in marks acquired in good faith at any time
9 within common law.

10
11 Article 10. Fees

12
13 14260. Unless specified by the secretary, the fees payable
14 herein are not refundable.

15
16 Article 11. Severability

17
18 14265. If any provision of this chapter, or the application of
19 such provision to any person or circumstance is held invalid, the
20 remainder of this chapter shall not be affected thereby.

21
22 Article 12. Miscellaneous

23
24 14270. This chapter shall not affect any suit, proceeding, or
25 appeal pending on January 1, 2008.

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

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

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

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