

AMENDED IN SENATE JULY 17, 2007

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 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.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: 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2 Division 6 of the Business and Professions Code is repealed.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.

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

1 used by a person, and other distinctive features of radio or
2 television programs may be registered as service marks
3 notwithstanding that they, or the programs, may advertise the goods
4 of the sponsor.

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

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

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

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

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

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

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

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

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

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

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

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

7 (k) “Dilution” means dilution by blurring or dilution by
 8 tarnishment, regardless of the presence or absence of any of the
 9 following:

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

12 (2) Actual or likely confusion, mistake, or deception.

13 (3) Actual economic injury.

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

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

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

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

28

29 Article 2. Application for Registration

30

31 14205. A mark by which the goods or services of any applicant
 32 for registration may be distinguished from the goods or services
 33 of others shall not be registered if it meets any of the following
 34 criteria:

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

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

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

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

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

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

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

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

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

27 14207. (a) Subject to the limitations set forth in this chapter,
28 any person who uses a mark may file with the secretary, on a form
29 prescribed by the secretary, an application for registration of that
30 mark setting forth, but not limited to, the following information:

31 (1) The name and business address of the person applying for
32 the registration and, if that person is a corporation or partnership,
33 the state of incorporation or the state in which the partnership is
34 organized and the names of the general partners, as specified by
35 the secretary.

36 (2) The goods or services on or in connection with which the
37 mark is used, the mode or manner in which the mark is used on or
38 in connection with the goods or services, and the class in which
39 the goods or services fall.

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

4 (4) A statement that the applicant is the owner of the mark, that
5 the mark is in use, and that, to the knowledge of the person
6 verifying the application, no other person has registered, ~~either~~
7 ~~federally~~ or in this state, or has the right to use the mark, either in
8 the identical form or in such near resemblance as to be likely, when
9 applied to the goods or services of the other person, to cause
10 confusion, to cause mistake, or to deceive.

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

20 (c) The secretary may also require that a drawing of the mark,
21 complying with requirements specified by the secretary, accompany
22 the application.

23 (d) The application shall include a declaration of accuracy signed
24 by the applicant or by a member of the firm or an officer of the
25 corporation or association, or by a general partner of the
26 partnership, making application. If the person signing the
27 declaration willfully states as true in the declaration any material
28 fact that he or she knows to be false, he or she shall be subject to
29 a civil penalty of not more than ten thousand dollars (\$10,000).
30 An action for that penalty may be brought by any public prosecutor.
31 The person signing the declaration shall be informed of this penalty
32 in writing.

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

35 (f) The application shall be accompanied by the application fee
36 payable to the secretary as set forth in subdivision (a) of Section
37 12193 of the Government Code.

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

1 14209. (a) Upon the filing of an application for registration
2 and payment of the application fee, the secretary may cause the
3 application to be examined for conformity with this chapter.

4 (b) The applicant shall provide any additional pertinent
5 information requested by the secretary, including a description of
6 a design mark, and may make, or authorize the secretary to make,
7 amendments to the application as may be reasonably requested by
8 the secretary or deemed by the applicant to be advisable in order
9 to respond to any rejection or objection.

10 (c) The secretary may require the applicant to disclaim an
11 unregistrable component of an otherwise registrable mark, and
12 an applicant may voluntarily disclaim a component of a mark
13 sought to be registered. No disclaimer shall prejudice or affect the
14 applicant's or registrant's rights, then existing or thereafter arising,
15 in the disclaimed matter, or the applicant's or registrant's rights
16 of registration on another application if the disclaimed matter is
17 or has become distinctive of the applicant's or registrant's goods
18 or services.

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

22 (e) If an applicant is found not to be entitled to registration, the
23 secretary shall so advise the applicant and shall advise the applicant
24 of the reasons. The applicant shall have a reasonable period of
25 time specified by the secretary in which to reply or to amend the
26 application, in which event the application shall be reexamined.
27 This procedure may be repeated until the secretary finally refuses
28 registration of the mark or the applicant fails to reply or amend
29 within the specified period, whereupon the application shall be
30 deemed to have been abandoned.

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

36 (g) In the instance of applications concurrently being processed
37 by the secretary seeking registration of the same or confusingly
38 similar marks for the same or related goods or services, the
39 secretary shall grant priority to the applications in the order of
40 filing. If a prior-filed application is granted a registration, the other

1 application or applications shall then be rejected. Any rejected
2 applicant may bring an action for cancellation of the registration
3 upon grounds of prior or superior rights to the mark, in accordance
4 with the provisions of Section 14230.

5

6

Article 3. Certificate of Registration

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8 14215. (a) Upon compliance by the applicant with the
9 requirements of this chapter, the secretary shall cause a certificate
10 of registration to be issued and delivered to the applicant. The
11 certificate of registration shall be issued under the signature of the
12 secretary and the seal of the state, and shall show the following
13 information:

14 (1) The name and business address and, if a corporation, the
15 state of incorporation, or if a partnership, the state in which the
16 partnership is organized and the names of the general partners, as
17 specified by the secretary, of the person claiming ownership of
18 the mark.

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

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

23 (4) A reproduction of the mark.

24 (5) The registration date and the term of the registration of the
25 mark.

26 (b) Any certificate of registration issued by the secretary under
27 the provisions of this chapter or a copy thereof duly certified by
28 the secretary shall be admissible in evidence as competent and
29 sufficient proof of the registration of the mark in any action or
30 judicial proceeding in any court of this state.

31 14217. (a) A registration of mark pursuant to this chapter shall
32 be effective for a term of five years from the date of registration
33 and, upon application filed within six months prior to the expiration
34 of the term, in a manner complying with the requirements of the
35 secretary, the registration may be renewed for a like term from the
36 end of the expiring term. A renewal fee, payable to the secretary,
37 shall accompany the application for renewal of the registration as
38 set forth in subdivision (c) of Section 12193 of the Government
39 Code.

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

3 (c) Any registration in force on January 1, 2008, shall continue
4 in full force and effect for the unexpired term thereof, and may be
5 renewed by filing an application for renewal with the secretary
6 that complies with the requirements of the secretary and payment
7 of the renewal fee within the six months prior to the expiration of
8 the registration.

9 (d) All applications for renewal under this chapter, whether of
10 registrations made under this chapter or of registrations effected
11 under any prior act, shall include a verified statement that the mark
12 has been and is still in use and shall include a specimen showing
13 actual use of the mark on, or in connection with, the goods or
14 services with which the mark is associated.

15
16 Article 4. Assignments, Changes of Name, and Other
17 Instruments
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19 14220. (a) Any mark and its registration hereunder shall be
20 assignable with the good will of the business in which the mark is
21 used, or with that part of the good will of the business connected
22 with the use of and symbolized by the mark. Assignment shall be
23 by instrument in writing duly executed and may be recorded with
24 the secretary upon the payment of the recording fee payable to the
25 secretary as set forth in subdivision (b) of Section 12193 of the
26 Government Code, who, upon recording of the assignment, shall
27 issue in the name of the assignee a new certificate for the remainder
28 of the term of the registration or of the last renewal thereof. An
29 assignment of any registration under this chapter shall be void as
30 against any subsequent purchaser for valuable consideration
31 without notice, unless it is recorded with the secretary within three
32 months after the date thereof or prior to the subsequent purchase.

33 (b) Any registrant or applicant effecting a change of the name
34 of the person to whom the mark was issued or for whom an
35 application was filed may, on a form prescribed by the secretary,
36 record a certificate of change of name of the registrant or applicant
37 with the secretary upon the payment of the recording fee. The
38 secretary may issue in the name of the assignee a certificate of
39 registration of an assigned application or a new certificate or

1 registration for the remainder of the term of the registration or last
2 renewal thereof.

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

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

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

16
17 Article 5. Records

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19 14225. The secretary shall keep for public examination a record
20 of all marks registered or renewed under this chapter, as well as a
21 record of all documents recorded pursuant to Section 14220.

22
23 Article 6. Cancellation

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25 14230. The secretary shall cancel from the register, in whole
26 or in part, any of the following:

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

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

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

- 34 (1) The registered mark has been abandoned.
- 35 (2) The registrant is not the owner of the mark.
- 36 (3) The registration was granted improperly.
- 37 (4) The registration was obtained fraudulently.
- 38 (5) The mark is or has become the generic name for the goods
- 39 or services, or a portion thereof, for which it has been registered.

1 (6) The registered mark is so similar to a mark registered by
2 another person in the United States Patent and Trademark Office
3 prior to the date of the filing of the application for registration by
4 the registrant hereunder, and not abandoned, as to be likely to
5 cause confusion or mistake, or to deceive. However, should the
6 registrant prove that the registrant is the owner of a concurrent
7 registration of a mark in the United States Patent and Trademark
8 Office covering an area including this state, the registration
9 hereunder shall not be canceled for that area of the state.

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

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

18 (f) Within six months of the date of registration, any registration
19 issued in error by the secretary that violates the requirements of
20 subdivision (f) of Section 14205.

21
22 Article 7. Classification

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24 14235. The classification of goods and services shall conform
25 to the classifications adopted by the United States Patent and
26 Trademark Office. A single application for registration of a mark
27 may include any or all goods upon which, or services with which,
28 the mark is actually being used indicating the appropriate class or
29 classes of goods or services. When a single application includes
30 goods or services that fall within multiple classes, the secretary
31 may require payment of a fee for each class.

32
33 Article 8. Fraudulent Registration

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35 14240. Any person who, either for himself or herself or on
36 behalf of another person, procures the filing or registration of any
37 mark pursuant to this chapter by knowingly making any false or
38 fraudulent representation or declaration, either orally or in writing,
39 or by any other fraudulent means shall be liable to pay all damages
40 sustained as a consequence of the filing or registration, to be

1 recovered by or on behalf of the party injured thereby in any court
2 of competent jurisdiction.

3

4

Article 9. Violations

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6 14245. (a) A person who does any of the following shall be
7 subject to a civil action by the owner of the registered mark, and
8 the remedies provided in Section 14250:

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

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

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

33 (A) A copy of the certificate of registration and of any claimed
34 reproduction, counterfeit, copy, or colorable imitation of the
35 registered mark.

36 (B) A statement, made under penalty of perjury, by the owner
37 of the registered mark, by an officer of the corporation that owns
38 the registered mark, or by legal counsel for the owner of the
39 registered mark, that includes all of the following:

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

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

2 (iii) The dates of the infringement.

3 (iv) Any other reasonable information to assist the recipient to
4 identify the infringer.

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

8 (5) Paragraph (3) is applicable to a landlord or property owner
9 who provides, rents, leases, or licenses the use of real property
10 where any goods or services bearing any reproduction, counterfeit,
11 copy, or colorable imitation of a mark registered pursuant to this
12 chapter are sold, offered for sale, or advertised, where the landlord
13 or property owner had control of the property and knew, or had
14 reason to know, of the infringing activity.

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

18 (1) If an infringer or violator is engaged solely in the business
19 of printing the mark or violating matter for others and establishes
20 that he or she was an innocent infringer or innocent violator, the
21 owner of the right infringed is entitled only to an injunction against
22 future printing of the mark by the innocent infringer or innocent
23 violator.

24 (2) If the infringement complained of is contained in, or is part
25 of, paid advertising matter in a newspaper, magazine, or other
26 similar periodical, or in an electronic communication as defined
27 in subsection (12) of Section 2510 of Title 18 of the United States
28 Code, the remedies of the owner of the right infringed against the
29 publisher or distributor of the newspaper, magazine, or other
30 similar periodical or electronic communication shall be confined
31 to an injunction against the presentation of the advertising matter
32 in future issues of the newspapers, magazines, or other similar
33 periodicals or in further transmissions of the electronic
34 communication. The limitation of this subdivision shall apply only
35 to innocent infringers and innocent violators.

36 (3) Injunctive relief is not available to the owner of the right
37 infringed with respect to an issue of a newspaper, magazine, or
38 other similar periodical or electronic communication containing
39 infringing matter if restraining the dissemination of the infringing
40 matter in any particular issue of the periodical or in an electronic

1 communication would delay the delivery of the issue or
 2 transmission of the electronic communication after the regular
 3 time for delivery and the delay would be due to the method by
 4 which publication and distribution of the periodical or transmission
 5 of the electronic communication is customarily conducted in
 6 accordance with sound business practice, and not to any method
 7 or device adopted for the evasion of this section or to prevent or
 8 delay the issuance of an injunction or restraining order with respect
 9 to the infringing matter.

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

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

26 14247. (a) Subject to the principles of equity, an owner of a
 27 mark that is famous and distinctive, whether inherently or through
 28 acquired distinctiveness, shall be entitled to an injunction against
 29 another person's commercial use of a mark or trade name, if such
 30 use begins after the mark has become famous and is likely to cause
 31 dilution of the famous mark, and to obtain such other relief as is
 32 provided in this section. For purposes of this subdivision, a mark
 33 is famous if it is widely recognized by the general consuming
 34 public of this state, or by a geographic area of this state, as a
 35 designation of source of the goods or services of the mark's owner.
 36 In determining whether a mark is famous, a court may consider
 37 factors including, but not limited to, all of the following:

38 (1) The duration, extent, and geographic reach of advertising
 39 and publicity of the mark in this state, whether advertised or
 40 publicized by the owner or third parties.

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

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

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

9 (b) In an action brought under this section, the owner of a
10 famous mark shall be entitled to injunctive relief throughout the
11 geographic area in which the mark is found to have become famous
12 prior to commencement of the junior use, but not beyond the
13 borders of this state. If the person against whom injunctive relief
14 is sought willfully intended to cause dilution of the famous mark,
15 the owner shall also be entitled to the remedies set forth in Section
16 14250, subject to the discretion of the court and the principles of
17 equity. The following shall not be actionable under this section:

18 (1) Any fair use, including a nominative or descriptive fair use,
19 or facilitation of such fair use, of a famous mark by another person
20 other than as a designation of source for the person's own goods
21 or services, including use in connection with either of the
22 following:

23 (A) Advertising or promotion that permits consumers to compare
24 goods or services.

25 (B) Identifying and parodying, criticizing, or commenting upon
26 the famous mark owner or the goods or services of the famous
27 mark owner.

28 (2) Noncommercial use of the mark.

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

30 14250. (a) Any owner of a mark registered under this chapter
31 may proceed by suit to enjoin the manufacture, use, display, or
32 sale of any counterfeits thereof and any court of competent
33 jurisdiction may grant injunctions to restrain the manufacture, use,
34 display, or sale as may be deemed just and reasonable, and shall
35 require the defendants to pay to the owner up to three times their
36 profits from, and up to three times all damages suffered by reason
37 of, the wrongful manufacture, use, display, or sale. If, in any action
38 brought under this section, the court determines that any goods in
39 the possession of or services offered by a defendant bear or consist
40 of a counterfeit mark, the court shall order the destruction of any

1 goods, labels, packaging or any components bearing the counterfeit
2 mark and all instrumentalities used in the production of the
3 counterfeit goods, including, but not limited to, any items, objects,
4 tools, machines or equipment or, after obliteration of the counterfeit
5 mark, the court may dispose of those materials by ordering their
6 transfer to the state, a civil claimant, an eleemosynary institution,
7 or any appropriate private person other than the person from whom
8 the materials were obtained.

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

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

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

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

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

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

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

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

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

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

7 (4) Punitive damages, if warranted.

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

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

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

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

33 14252. The enumeration of any right or remedy herein shall
34 not affect a registrant's right to prosecute under any penal law of
35 this state, including, but not limited to, Section 350 of the Penal
36 Code.

37 14254. (a) Actions to require cancellation of a mark registered
38 pursuant to this chapter or in mandamus to compel registration of
39 a mark pursuant to this chapter shall be brought in the superior
40 court.

1 (b) In an action in mandamus, the proceeding shall be based
 2 solely upon the record before the secretary. In an action for
 3 cancellation, the secretary shall not be made a party to the
 4 proceeding, but shall be notified of the filing of the complaint by
 5 the clerk of the court in which it is filed and shall be given the
 6 right to intervene in the action.

7 (c) In any action brought against a nonresident registrant, service
 8 may be effected upon the secretary as agent for service of the
 9 registrant in accordance with the procedures established for service
 10 upon nonresident corporations and business entities under Sections
 11 416.10 to 416.40, inclusive, of the Code of Civil Procedure, and
 12 Sections 2110, 2111, and 2114 of the Corporations Code.

13 14259. Nothing herein shall adversely affect the rights or the
 14 enforcement of rights in marks acquired in good faith at any time
 15 within common law.

16
 17 Article 10. Fees
 18

19 14260. Unless specified by the secretary, the fees payable
 20 herein are not refundable.

21
 22 Article 11. Severability
 23

24 14265. If any provision of this chapter, or the application of
 25 such provision to any person or circumstance is held invalid, the
 26 remainder of this chapter shall not be affected thereby.

27
 28 Article 12. Miscellaneous
 29

30 14270. This chapter shall not affect any suit, proceeding, or
 31 appeal pending on January 1, 2008.

32 14272. The intent of this chapter is to provide a system of state
 33 trademark registration and protection substantially consistent with
 34 the federal system of trademark registration and protection under
 35 the Trademark Act of 1946 (15 U.S.C. Sec. 1051 et seq.), as
 36 amended. To that end, the construction given the federal act should
 37 be examined as ~~persuasive~~ *nonbinding* authority for interpreting
 38 and construing this chapter.

39 ~~SEC. 3. No reimbursement is required by this act pursuant to~~
 40 ~~Section 6 of Article XIII B of the California Constitution because~~

1 ~~the only costs that may be incurred by a local agency or school~~
2 ~~district will be incurred because this act creates a new crime or~~
3 ~~infraction, eliminates a crime or infraction, or changes the penalty~~
4 ~~for a crime or infraction, within the meaning of Section 17556 of~~
5 ~~the Government Code, or changes the definition of a crime within~~
6 ~~the meaning of Section 6 of Article XIII B of the California~~
7 ~~Constitution.~~

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