

AMENDED IN SENATE AUGUST 31, 2007

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

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**ASSEMBLY BILL**

**No. 1484**

**Introduced by Assembly Member Krekorian**

February 23, 2007

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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,

1 from the services of others, and to indicate the source of the  
2 services, even if that source is unknown. Titles, character names  
3 used by a person, and other distinctive features of radio or  
4 television programs may be registered as service marks  
5 notwithstanding that they, or the programs, may advertise the goods  
6 of the sponsor.

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

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

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

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

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

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

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

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

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

37 (1) A mark’s use has been discontinued with intent not to resume  
38 that use. Intent not to resume the use may be inferred from  
39 circumstances. Nonuse for two consecutive years shall constitute  
40 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.

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Article 2. Application for Registration

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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 in this  
7 state, or has the right to use the mark, either in the identical form  
8 or in such near resemblance as to be likely, when applied to the  
9 goods or services of the other person, to cause confusion, to cause  
10 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.

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### 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  
18

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 (f) *Neither this chapter nor the recordal of any instrument*  
17 *received by the secretary pursuant to this chapter shall have any*  
18 *effect, including, but not limited to, any effect relating to*  
19 *attachment, perfection, priority, or enforcement, on any security*  
20 *interest governed by Division 9 (commencing with Section 9101)*  
21 *of the Uniform Commercial Code.*

22  
23 Article 5. Records  
24

25 14225. The secretary shall keep for public examination a record  
26 of all marks registered or renewed under this chapter, as well as a  
27 record of all documents recorded pursuant to Section 14220.  
28

29 Article 6. Cancellation  
30

31 14230. The secretary shall cancel from the register, in whole  
32 or in part, any of the following:

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

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

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

40 (1) The registered mark has been abandoned.

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

2 (3) The registration was granted improperly.

3 (4) The registration was obtained fraudulently.

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

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

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

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

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

26  
27 Article 7. Classification

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

Article 8. Fraudulent Registration

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 2  
 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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 12  
 13  
 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 14247. (a) Subject to the principles of equity, an owner of a  
22 mark that is famous and distinctive, whether inherently or through  
23 acquired distinctiveness, shall be entitled to an injunction against  
24 another person's commercial use of a mark or trade name, if such  
25 use begins after the mark has become famous and is likely to cause  
26 dilution of the famous mark, and to obtain such other relief as is  
27 provided in this section. For purposes of this subdivision, a mark  
28 is famous if it is widely recognized by the general consuming  
29 public of this state, or by a geographic area of this state, as a  
30 designation of source of the goods or services of the mark's owner.  
31 In determining whether a mark is famous, a court may consider  
32 factors including, but not limited to, all of the following:

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

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

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

39 (4) Whether the mark is the subject of a state registration in this  
40 state, or a federal registration under the Act of March 3, 1881, or

1 under the Act of February 20, 1905, or on the principal register  
2 under the Trademark Act of 1946 (15 U.S.C. Sec. 1051 et seq.),  
3 as amended.

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

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

Article 10. Fees

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

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Article 11. Severability

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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

Article 12. Miscellaneous

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

26

27 14272. The intent of this chapter is to provide a system of state  
 28 trademark registration and protection substantially consistent with  
 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 nonbinding authority for interpreting and  
 32 construing this chapter.