

Assembly Bill No. 1484

Passed the Assembly September 10, 2007

Chief Clerk of the Assembly

Passed the Senate September 6, 2007

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2007, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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, 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.

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

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 Chapter 2 (commencing with Section 14200) of Division 6 of the Business and Professions Code is repealed.

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

CHAPTER 2. MODEL STATE TRADEMARK LAW

Article 1. General Provisions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) Actual economic injury.

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

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

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

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

Article 2. Application for Registration

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

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

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

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

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

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

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

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

(3) Is primarily merely a surname, provided, however, that nothing in this paragraph shall prevent the registration of a mark used by the applicant that has become distinctive of the applicant’s

goods or services. The secretary may accept as evidence that the mark has become distinctive, as used on or in connection with the applicant's goods or services, proof of continuous use thereof as a mark by the applicant in this state for the five years before the date on which the claim of distinctiveness is made.

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

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

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

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

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

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

(b) The secretary may also require a statement as to whether an application to register the mark, or portions or a composite thereof, has been filed by the applicant or a predecessor in interest with the United States Patent and Trademark Office and, if so, the applicant shall provide full particulars with respect thereto, including the filing date and serial number of each application, the status thereof, and, if any application was finally refused

registration or has otherwise not resulted in a registration, the reasons for the refusal or result.

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

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

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

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

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

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

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

(c) The secretary may require the applicant to disclaim an unregistrable component of an otherwise registrable mark, and an applicant may voluntarily disclaim a component of a mark sought to be registered. No disclaimer shall prejudice or affect the applicant's or registrant's rights, then existing or thereafter arising, in the disclaimed matter, or the applicant's or registrant's rights of registration on another application if the disclaimed matter is

or has become distinctive of the applicant's or registrant's goods or services.

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

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

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

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

Article 3. Certificate of Registration

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

(1) The name and business address and, if a corporation, the state of incorporation, or if a partnership, the state in which the partnership is organized and the names of the general partners, as

specified by the secretary, of the person claiming ownership of the mark.

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

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

(4) A reproduction of the mark.

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

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

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

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

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

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

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

14220. (a) Any mark and its registration hereunder shall be assignable with the good will of the business in which the mark is used, or with that part of the good will of the business connected with the use of and symbolized by the mark. Assignment shall be by instrument in writing duly executed and may be recorded with the secretary upon the payment of the recording fee payable to the secretary as set forth in subdivision (b) of Section 12193 of the Government Code, who, upon recording of the assignment, shall issue in the name of the assignee a new certificate for the remainder of the term of the registration or of the last renewal thereof. An assignment of any registration under this chapter shall be void as against any subsequent purchaser for valuable consideration without notice, unless it is recorded with the secretary within three months after the date thereof or prior to the subsequent purchase.

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

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

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

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

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

Article 5. Records

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

Article 6. Cancellation

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

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

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

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

(1) The registered mark has been abandoned.

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

(3) The registration was granted improperly.

(4) The registration was obtained fraudulently.

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

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

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

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

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

Article 7. Classification

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

Article 8. Fraudulent Registration

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

Article 9. Violations

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

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

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

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

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

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

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

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

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

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

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

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

(3) Injunctive relief is not available to the owner of the right infringed with respect to an issue of a newspaper, magazine, or other similar periodical or electronic communication containing infringing matter if restraining the dissemination of the infringing matter in any particular issue of the periodical or in an electronic communication would delay the delivery of the issue or transmission of the electronic communication after the regular time for delivery and the delay would be due to the method by which publication and distribution of the periodical or transmission of the electronic communication is customarily conducted in accordance with sound business practice, and not to any method or device adopted for the evasion of this section or to prevent or

delay the issuance of an injunction or restraining order with respect to the infringing matter.

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

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

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

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

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

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

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

(1) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods

or services, including use in connection with either of the following:

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

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

(2) Noncommercial use of the mark.

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

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

(b) The court, upon motion or ex parte application by a plaintiff in a suit to enjoin the manufacture, use, display, or sale of counterfeits, may order seizure of any goods, labels, packaging or any components bearing the counterfeit mark and all instrumentalities used in the production of the counterfeit goods, including, but not limited to, any items, objects, tools, machines or equipment from persons manufacturing, displaying for sale, or selling the goods, upon a showing of good cause and a probability of success on the merits and upon the posting of an undertaking pursuant to subdivision (e). If it appears from the ex parte application that there is good reason for proceeding without notification to the defendant, the court may, for good cause shown,

waive the requirement of notice for the ex parte proceeding. The order of seizure shall specifically set forth all of the following:

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

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

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

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

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

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

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

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

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

(4) Punitive damages, if warranted.

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

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

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

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

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

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

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

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

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

Article 10. Fees

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

Article 11. Severability

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

Article 12. Miscellaneous

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

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

Approved _____, 2007

Governor