

# HOUSE BILL REPORT

## SB 5122

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**As Passed House:**

April 8, 2003

**Title:** An act relating to trademark registration.

**Brief Description:** Revising provisions of the state trademark law.

**Sponsors:** By Senators Johnson, Kline and Esser.

**Brief History:**

**Committee Activity:**

Judiciary: 3/21/03, 3/25/03 [DP].

**Floor Activity:**

Passed House: 4/8/03, 95-0.

**Brief Summary of Bill**

- Makes various changes to the state's trademark registration statute in response to the revised Model State Trademark Bill and in response to provisions in federal trademark laws.

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### HOUSE COMMITTEE ON JUDICIARY

**Majority Report:** Do pass. Signed by 9 members: Representatives Lantz, Chair; Moeller, Vice Chair; Carrell, Ranking Minority Member; McMahan, Assistant Ranking Minority Member; Campbell, Flannigan, Kirby, Lovick and Newhouse.

**Staff:** Bill Perry (786-7123).

**Background:**

The use of trademarks is addressed by both state and federal statutes as well as by the common law. A trademark used in interstate commerce may be registered with the U.S. Trademark and Patent Office. It may also be registered with the Washington Secretary of State as well as with the federal office. However, a trademark used exclusively in the State of Washington may be registered only with the state. While state registration of a federally registered trademark does not provide any additional protection to a registrant, state registration does provide more protection than the common law alone does.

A trademark may apply to the manufacture or sale of goods or to the delivery of certain services. A trademark, as defined in state law, includes: (1) a word, symbol or device that has been adopted by a person to identify goods and distinguish them from goods made or sold by others; and (2) a word, symbol, device, title, designation, slogan, character name, or distinctive feature of a radio or television program that is used in the sale or advertising of services in order to identify and distinguish those services.

Registration of a trademark serves to protect the registrant's use of the mark and allows the registrant to recover damages or seek injunctive relief for the unauthorized use of the mark. Certain marks which have become "famous" are also protected against "dilution" that may be caused by the use of similar marks by others. Certain marks may not be registered. Unregistrable marks include marks that are deceptive or immoral, that suggest false connections with or cause disrespect for persons or national symbols, or that are merely descriptive or are falsely descriptive of goods or services.

The state statute contains a list of "classifications" to be used in the registration of trademarks. These classifications were adopted in accordance with a 1957 international agreement on the classification of goods and services. The classes include 42 categories that range from "Chemicals" to "Smokers' Articles" to "Fancy Goods."

Two years ago, the Washington State Bar Association's intellectual property section created a review committee to assess whether the state's trademark law should be updated to adopt revisions to the Model State Trademark Bill and to parallel the current federal law. A provision in the state law specifically says that in interpreting the state statute, the courts of this state are to be "guided" by the federal courts' interpretations of the federal statutes. The review committee has concluded that certain changes should be made to the state law.

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### **Summary of Bill:**

Various changes are made to the state trademark registration law to make the state law more consistent with federal law and to adopt some provisions from the revised Model State Trademark Bill. Those changes include the following:

- The section of law listing "classifications" of goods and services is repealed. In its place, the Secretary of State is authorized to create new classifications. The Secretary of State is to conform the state law as much as possible with the classifications used by the federal patent and trademark office.
- The term of a trademark registration is reduced from six years to five years, consistent with the period in the Model Trademark Registration Bill.
- The period of non-use that constitutes prima facie evidence of trademark abandonment is increased from two years to three years.
- Recovery of up to treble damages and reasonable attorneys' fees is allowed if a

trademark was infringed in bad faith.

- A provision on injunctive relief for dilution of a famous mark is modified to more closely parallel the federal law.

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**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** The bill is an update of state law based on the Model State Trademark Bill. It makes the state law more congruent with federal law and promotes efficiency by allowing the state law to track the federal statute and to use federal case law for interpretations.

**Testimony Against:** None.

**Testified:** Paul Swanson, Washington State Bar Association.