

LEGISLATIVE BILL 626

Approved by the Governor February 22, 2000

Introduced by Brashear, 4

AN ACT relating to property rights; to amend section 25-2130, Reissue Revised Statutes of Nebraska; to adopt the Trademark Registration Act; to change provisions relating to damages for willful trespass; to eliminate trademark registration provisions; to repeal the original section; and to outright repeal sections 87-111 to 87-125, Reissue Revised Statutes of Nebraska.

Be it enacted by the people of the State of Nebraska,

Section 1. Sections 1 to 19 of this act shall be known and may be cited as the Trademark Registration Act.

Sec. 2. It is the intent of the Legislature that the Trademark Registration Act provide a system of state trademark registration and protection substantially consistent with the federal system of trademark registration and protection under the federal Trademark Act of 1946, as amended. To that end, the construction given the federal act should be examined as persuasive authority for interpreting and construing the Trademark Registration Act.

Sec. 3. For purposes of the Trademark Registration Act:

(1) Abandoned mark means that either of the following has occurred:

(a) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall constitute prima facie evidence of abandonment; or

(b) 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;

(2) Applicant means the person filing an application for registration of a mark under the act and the legal representatives, successors, or assigns of such person;

(3) Dilution means the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (a) competition between the owner of the famous mark and other parties or (b) likelihood of confusion, mistake, or deception;

(4) Mark includes any trademark or service mark, entitled to registration under the act, whether registered or not;

(5) 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 act includes an individual, a firm, a partnership, a limited liability company, a corporation, a union, an association, or another organization capable of suing and being sued in a court of law;

(6) Registrant means the person to whom the registration of a mark under the act is issued and the legal representatives, successors, or assigns of such person;

(7) Secretary means the Secretary of State or the designee of the secretary charged with the administration of the act;

(8) Service mark means any word, name, symbol, or device or any combination thereof used by a person, to identify and distinguish the services of one 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;

(9) Trade name means any name used by a person to identify a business or vocation of such person;

(10) Trademark means any word, name, symbol, or device or any combination thereof used by a person to identify and distinguish the goods of such 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; and

(11) 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. A mark shall be deemed to be in use:

(a) On goods when it is placed in any manner on the goods or other containers, associated displays, or tags or labels or, if the nature of the goods makes such placement impracticable, then on documents associated with

the goods or their sale and the goods are sold or transported in commerce in this state; and

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

Sec. 4. 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:

(1) Consists of or comprises immoral, deceptive, or scandalous matter;

(2) Consists of or comprises matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols or bring them into contempt or disrepute;

(3) Consists of or comprises the flag or coat of arms or other insignia of the United States, of any state or municipality, or of any foreign nation, or any simulation thereof;

(4) Consists of or comprises the name, signature, or portrait identifying a particular living individual, except by the individual's written consent;

(5) Consists of a mark which:

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

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

(c) Is primarily merely a surname, except that nothing in subdivision (5) of this section shall prevent the registration of a mark used by the applicant which 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; or

(6) Consists of or comprises a mark which so resembles a mark registered in this state or a mark 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.

Sec. 5. Subject to the limitations set forth in the Trademark Registration Act, any person who uses a mark may file in the office of the secretary, in a manner complying with the requirements of the secretary, an application for registration of that mark including, but not limited to, the following information:

(1) The name and business address of the person applying for such registration 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;

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

(3) The date when 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; and

(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, either federally or in this state, or has the right to use such mark either in the identical form or in such near resemblance as to be likely, when applied to the goods or services of such other person, to cause confusion or mistake or to deceive.

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 in 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 of each application, and if any application was finally refused registration or has otherwise not resulted in a registration, the reasons for the refusal or rejection. The secretary may also require that a drawing of the mark, complying with such requirements as the secretary may specify, accompany the application. The application shall be signed and verified, by oath, affirmation, or declaration subject to perjury laws, by the applicant or by a member of the firm or an officer of the corporation or association applying. The application shall be submitted in duplicate and shall be accompanied by three specimens showing the mark as actually used and by the application fee of one hundred dollars payable to the

secretary.

Sec. 6. (1) 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 the Trademark Registration Act.

(2) 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, such amendments to the application as may be reasonably requested by the secretary or deemed by the applicant to be advisable to respond to any rejection or objection.

(3) The secretary may require the applicant to disclaim an unregistrable component of a mark otherwise registrable, 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 becomes distinctive of the applicant's or registrant's goods or services.

(4) Amendments may be made by the secretary upon the application submitted by the applicant upon the applicant's agreement, or a new application may be required to be submitted.

(5) If the applicant is found not to be entitled to registration, the secretary shall advise the applicant thereof and of the reasons therefor. 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 then be reexamined. This procedure may be repeated until:

(a) The secretary finally refuses registration of the mark; or

(b) The applicant fails to reply or amend within the specified period, whereupon the application shall be considered abandoned.

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

(7) 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 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 section 11 of this act.

Sec. 7. Upon compliance by the applicant with the requirements of the Trademark Registration Act, the secretary shall return the duplicate copy of the application stamped with the filing date to the applicant. The certificate of registration shall be issued under the signature of the secretary and the seal of the state, and it shall show 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, 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, the class of goods or services and a description of the goods or services on or in connection with which the mark is used, a reproduction of the mark, the registration date, and the term of the registration. An original, a duplicate original, or a certified copy of an application for trademark which has the file stamp and date of the secretary shall be admissible in evidence as competent and sufficient proof of the registration of such mark in any actions or judicial proceedings in any court of this state. Registration of a mark with the secretary shall be prima facie evidence of the right to use the mark shown in the registration on or in connection with the class or classes of goods or services designated in the registration.

Sec. 8. (1) A registration of a mark under the Trademark Registration Act is effective for ten years after the date of registration and, upon application filed within six months prior to the expiration, 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 of one hundred dollars, payable to the secretary, shall accompany the application for renewal of the registration. A registration may be renewed for successive periods of ten years in like manner.

(2) Any registration in force under sections 87-111 to 87-125 on the effective date of this act, as such sections existed prior to such date, is effective and shall continue in full force and effect for the unexpired term

of such registration. Such registration may be renewed by filing an application for renewal with the secretary complying with the requirements of the secretary and paying the renewal fee within six months prior to the expiration of the registration.

(3) Any suit, proceeding, or appeal pending on the effective date of this act shall be decided according to sections 87-111 to 87-125 as such sections existed prior to the effective date of this act.

(4) All applications for renewal under the act shall include a verified statement that the mark has been and is still in use and include a specimen showing actual use of the mark on or in connection with the goods or services.

Sec. 9. (1) Any mark and its registration under the Trademark Registration Act is 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 instruments in writing duly executed and may be recorded with the secretary upon the payment of the recording fee payable to the secretary 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 the Trademark Registration Act is void as against any subsequent purchaser for valuable consideration without notice unless it is recorded with the secretary within three months after the date of the assignment or prior to such subsequent purchase.

(2) 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 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. The secretary may issue in the name of the assignee a new certificate of registration for the remainder of the term of the registration or last renewal of the registration.

(3) Other instruments which relate to a mark registered or application pending pursuant to the act, such as licenses, security interests, or mortgages, may be recorded in the discretion of the secretary if the instrument is in writing and duly executed.

(4) Acknowledgement 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 execution.

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

Sec. 10. The secretary shall keep for public examination a record of all marks registered or renewed under the Trademark Registration Act, as well as a record of all documents recorded pursuant to section 9 of this act.

Sec. 11. The secretary shall cancel from the register, in whole or in part:

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

(2) All registrations granted under the Trademark Registration Act and not renewed in accordance with the act;

(3) Any registration concerning which a court of competent jurisdiction finds that:

(a) The registered mark has been abandoned;

(b) The registrant is not the owner of the mark;

(c) The registration was granted improperly;

(d) The registration was obtained fraudulently;

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

(f) The registered mark is so similar, as to be likely to cause confusion or mistake or to deceive, to a mark registered by another person in the United States Patent and Trademark Office prior to the date of filing of the application for registration by the registrant under the act, and not abandoned. If the registrant proves 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 under the act shall not be cancelled for such area of the state; or

(4) A court of competent jurisdiction has ordered the cancellation of a registration on any ground.

Sec. 12. The secretary shall adopt and promulgate rules and regulations which establish a classification of goods and services for

convenience of administration of the Trademark Registration Act, but such rules and regulations shall not limit or extend the applicant's or registrant's rights and 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 which fall within multiple classes, the secretary may require payment of a fee for each class. To the extent practicable, the classification of goods and services should conform to the classification adopted by the United States Patent and Trademark Office.

Sec. 13. Any person who for himself or herself, or on behalf of any other person, procures the filing or registration of any mark in the office of the secretary under the Trademark Registration Act by knowingly making any false or fraudulent representation or declaration, orally or in writing, or by any other fraudulent means, is liable for all damages sustained in consequence of such filing or registration, to be recovered by or on behalf of the party in any court of competent jurisdiction.

Sec. 14. Subject to section 18 of this act, any person who (1) uses, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of a mark registered under the Trademark Registration Act in connection with the sale, distribution, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive as to the source of origin of such goods or services or (2) reproduces, counterfeits, copies, or colorably imitates any such mark and applies such 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 such goods or services, is liable in a civil action by the registrant for any and all of the remedies provided in section 16 of this act, except that under subdivision (2) of this section, the registrant is not entitled to recover profits or damages unless the acts have been committed with the intent to cause confusion or mistake or to deceive.

Sec. 15. (1) The owner of a mark which is famous in this state is entitled, subject to the principles of equity and upon such terms as the court seems reasonable, 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 causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this section. In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to:

(a) The degree of inherent or acquired distinctiveness of the mark in this state;

(b) The duration and extent of use of the mark in connection with the goods and services with which the mark is used;

(c) The duration and extent of advertising and publicity of the mark in this state;

(d) The geographical extent of the trading area in which the mark is used;

(e) The channels of trade for the goods or services with which the mark is used;

(f) The degree of recognition of the mark in the trading areas and channels of trade in this state used by the mark's owner and the person against whom the injunction is sought;

(g) The nature and extent of use of the same or similar mark by third parties; and

(h) 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 federal principal register.

(2) In an action brought under this section, the owner of a famous mark is entitled only to injunctive relief in this state, unless the person against whom the injunctive relief is sought willfully intended to trade on the owner's reputation or to cause dilution of the famous mark. If such willful intent is proven, the owner is also entitled to the remedies under the Trademark Registration Act, subject to the discretion of the court and the principles of equity.

(3) The following are not actionable under this section:

(a) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark;

(b) Noncommercial use of the mark; or

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

Sec. 16. Any owner of a mark registered under the Trademark Registration Act may enjoin the manufacture, use, display, or sale of any counterfeits or imitations of the mark and any court of competent jurisdiction may grant injunctions to restrain such manufacture, use, display, or sale as the court determines to be just and reasonable. A defendant may be required to pay to the owner all profits derived from and all damages suffered by reason of the wrongful manufacture, use, display, or sale. The court may also order that any such counterfeits or imitations in the possession or under the control of any defendant be delivered to an officer of the court, or to the complainant, to be destroyed. The court, in its discretion, may enter judgment for an amount not to exceed such profits and damages and reasonable attorney's fees of the prevailing party in such cases where the court finds the other party committed such wrongful acts with knowledge or in bad faith or otherwise as according to the circumstances of the case. The enumeration of any right or remedy under the act does not affect a registrant's right to prosecute under any penal law of this state.

Sec. 17. (1) Actions to require cancellation of a mark registered pursuant to the Trademark Registration Act or in mandamus to compel registration of a mark pursuant to the act shall be brought in the district court of Lancaster County. 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.

(2) 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 section 25-509.01.

Sec. 18. Nothing in the Trademark Registration Act shall adversely affect the rights or the enforcement of rights in marks acquired in good faith at any time at common law.

Sec. 19. Unless specified by the secretary, the fees payable under the Trademark Registration Act are not refundable.

Sec. 20. Section 25-2130, Reissue Revised Statutes of Nebraska, is amended to read:

25-2130. For willful trespass, injuring any timber, tree, or shrub on the land of another, or in the street or highway in front of another's cultivated ground, yard, or town lot, or on the public grounds of any town, or any land held by this state, for any purpose whatever, the trespasser shall pay treble damages at the suit of any person entitled to protect or enjoy the property aforesaid.

Sec. 21. Original section 25-2130, Reissue Revised Statutes of Nebraska, is repealed.

Sec. 22. The following sections are outright repealed: Sections 87-111 to 87-125, Reissue Revised Statutes of Nebraska.