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No. 974

H.P. 688

House of Representatives, March 12, 2013

An Act To Prevent Fraudulent Trademark Registration

Reference to the Committee on Judiciary suggested and ordered printed.

Millient M. Macfarland MILLICENT M. MacFARLAND Clerk

Presented by Representative NEWENDYKE of Litchfield.
Cosponsored by Senator BURNS of Washington and
Representatives: DAVIS of Sangerville, DUNPHY of Embden, LOCKMAN of Amherst,
MacDONALD of Old Orchard Beach.

Be it enacted by the People of the State of Maine as follows:

- Sec. 1. 10 MRSA §1522, sub-§1, as amended by PL 2005, c. 543, Pt. D, §§7 to 9 and affected by §18, is further amended to read:
 - 1. Registrability. A mark shall may not be registered if it:
 - A. Consists of or comprises deceptive matter;
 - B. Consists of or comprises matter which that may falsely suggest a connection with persons, living or dead, or institutions;
 - C. Consists of or comprises the flag or coat of arms or other insignia of the United States or of any state or municipality or of any foreign nation or any simulation thereof;
 - D. Consists of or comprises the name, signature or portrait of any living individual, except with that individual's written consent, which shall must be filed together with the application for registration under this section;
 - E. Consists of a mark that, when applied to the goods or services of the applicant, is merely descriptive or deceptively misdescriptive of them or, when applied to the goods or services of the applicant, is primarily geographically descriptive or deceptively misdescriptive of them, except as indications of regional origin may be registrable under subsection 3, or is primarily merely a surname, provided except that nothing in this paragraph may prevent the registration of a mark used in this State by the applicant that has become distinctive of the applicant's goods or services. The Secretary of State may accept as evidence that the mark has become distinctive, as applied to the applicant's goods or services, proof of continuous use thereof as a mark by the applicant in this State or elsewhere for the 5 years next preceding the date of the filing of the application for registration;
 - F. Consists of or comprises a mark that so resembles a mark <u>used or</u> registered in this State or a mark or trade name previously used in this State by another and not abandoned, as to be likely, when applied to the goods or services of the applicant, to cause confusion or mistake or to deceive, unless the registered owner or holder of the other mark executes and files with the Secretary of State proof of authorization of the use of a similar mark by the applicant seeking to use the similar mark;
 - G. Is not distinguishable from the real, assumed, fictitious, reserved or registered name of a corporation, limited liability company, limited liability partnership, limited partnership or limited liability partnership, unless the corporation, limited liability company, limited liability partnership, limited partnership or limited liability limited partnership executes and files with the Secretary of State proof of authorization of the use of a mark similar to the real, assumed, fictitious, reserved or registered name of a corporation, limited liability company, limited liability partnership, limited partnership or limited liability limited partnership by the applicant seeking to use the mark;
 - H. Consists of or comprises language that is obscene, contemptuous, profane or prejudicial;

I. Inappropriately promotes abusive or unlawful activity; or

 J. Notwithstanding paragraph G, is identical to a corporate, limited liability company, limited liability partnership, limited partnership or limited liability limited partnership name, unless the corporation, limited liability company, limited liability partnership, limited partnership or limited liability limited partnership is the same entity as the applicant that is seeking to register the mark and files proof of ownership with the Secretary of State.

The Secretary of State shall make the final determination regarding the availability of a mark for filing after performing a brief search on the Internet to determine that the information provided on an application under subsection 2 is accurate.

- Sec. 2. 10 MRSA §1522, sub-§2, as amended by PL 2003, c. 673, Pt. WWW, §1 and affected by §37, is further amended to read:
- **2. Application for registration.** Subject to the limitations set forth in this chapter, any person who adopts and uses a mark in this State may file in the office of the Secretary of State, on a form to be furnished by the Secretary of State, an application for registration of that mark setting forth, but not limited to, the following information:
 - A. The name and business address of the person applying for the registration and, if a corporation, the state of incorporation;
 - B. The goods or services in connection with which the mark is used and the mode or manner in which the mark is used in connection with the goods or services and the class in which the goods or services fall;
 - C. The date when, to the best of the applicant's knowledge and belief, the mark was first used anywhere and the date when it was first used in this State by the applicant or the applicant's predecessor in business; and
 - D. A statement that to the best of the applicant's knowledge and belief, the applicant is the owner of the mark and that no other person has the right to use the mark in this State as a mark or as a trade name or as a corporate name either in the identical form thereof or in such near resemblance thereto as to be likely, when applied to the goods or services of the other person, to cause confusion or to cause mistake or to deceive.
- The application must be signed and verified by the applicant or by a member of the firm or an officer of the corporation or association applying.
- The execution of an application containing false statements constitutes unsworn falsification under Title 17-A, section 453.
- The application must be accompanied by a specimen or facsimile of the mark in triplicate.
- The application for registration must be accompanied by a filing fee of \$60 for the first class and \$10 for each additional class, payable to the Treasurer of State.
- Sec. 3. 10 MRSA §1528, as enacted by PL 1979, c. 572, §2, is repealed and the following enacted in its place:

§1528. Fraudulent registration

- A person who knowingly makes a fraudulent representation in registering a mark under this chapter is liable for all damages, including costs and attorney's fees under section 1531, subsection 3, to a person injured as a result of the fraudulent filing. The execution of an application under section 1522, subsection 2 containing false statements constitutes unsworn falsification under Title 17-A, section 453.
- **Sec. 4. 10 MRSA §1531, sub-§3,** as corrected by RR 1991, c. 2, §33, is amended to read:
- **3. Attorney's fees and costs.** The Superior Court shall award the prevailing party costs and, in exceptional <u>or fraudulent representation</u> cases only, may award the prevailing party reasonable attorney's fees.
- Sec. 5. 10 MRSA §1531, sub-§4, as enacted by PL 1979, c. 572, §2, is amended to read:
 - **4. Criminal prosecution.** The enumeration of any right or remedy shall does not affect a registrant's right to prosecute under any penal law of this State. The Attorney General shall prosecute a crime under section 1528 and seek all legal remedies, including equitable relief, available by law.

18 SUMMARY

This bill prohibits the filing of a trademark if the trademark is in use in the State by another and directs the Secretary of State to conduct a brief search on the Internet to determine if the information provided on a trademark application is correct. This bill also requires a person making a fraudulent registration of a trademark to pay all damages to a person injured by the registration, including court costs and attorney's fees, and directs the Attorney General to prosecute the crime as an unsworn falsification and seek all legal remedies, including equitable relief, from the court.