

BILL ANALYSIS

Senate Research Center

H.B. 2569
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International Relations, Trade & Technology
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Engrossed

DIGEST

The Texas Trademark Act, enacted in 1962, and presently codified in Chapter 16, Business & Commerce Code, is patterned in part on the Model State Trademark Bill, which is modeled on the federal trademark act, more commonly referred to as the Lanham Act (15 U.S.C. 1051 et seq.). The provisions of Chapter 16, have not been substantially revised since the codification of the Trademark Act by the 57th Legislature in 1967. A revision of the chapter would update the Act to reflect some of the provisions currently found in the Model State Trademark Bill, as revised in 1992, and harmonize the statute with present practice and procedure established by the secretary of state.

As proposed, H.B. 2569 would make various amendments relating to examination, registration, and recordation of trademark applications and other related documents. The amendments make several revisions which would bring current statute in line with a few of the provisions of the revised Model State Trademark Bill promulgated by the International Trademark Association, which seeks to encourage uniformity among state trademark registration statutes and improve state application examination procedures. Many of the changes to Subchapter B reflect present examination and review procedures established by administrative rules adopted by the secretary of state. This bill would also delete the requirement that an application for registration or renewal be verified by the applicant or registrant and would clarify the authority of the secretary of state to adopt administrative rules regarding procedures for the filing, examination, registration, and recordation of documents submitted pursuant to Chapter 16, Business & Commerce Code.

PURPOSE

As proposed, H.B. 2569 makes various amendments relating to examination, registration, and recordation of trademark applications and other related documents. The amendments make several revisions which bring current statute in line with a few of the provisions of the revised Model State Trademark Bill promulgated by the International Trademark Association. In addition, many of the changes in this bill reflect present examination and review procedures established by administrative rules adopted by the secretary of state.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the secretary of state under SECTION 6 (Section 16.21(a), Business and Commerce Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 16.10, Business & Commerce Code, to authorize, rather than require, a person, subject to the limitations prescribed by this chapter, to file an application to register a mark in the office of the secretary of state on a form prescribed by the secretary of state. Requires the applicant to include certain information in the application.

SECTION 2. Amends Chapter 16B, Business & Commerce Code, by adding Sections 16.105-16.109, as follows:

Sec. 16.105. EXAMINATION OF APPLICATION. Requires the secretary state, upon the filing of an application for registration and payment of the application fee, to examine the

application for compliance with this chapter. Requires the applicant to provide to the secretary of state additional pertinent information requested by the secretary of state. Requires the secretary of state to examine applications in the order in which the applications are filed, including applications concurrently processed for registration of the same or confusingly similar marks used in connection with the same or similar goods or services.

Sec. 16.106. AMENDMENT TO APPLICATION. Authorizes the applicant to make an amendment to the application as reasonably requested by the secretary of state or in response to a rejection or objection to the registration by the secretary of state. Sets forth additional provisions regarding such an amendment.

Sec. 16.107. DISCLAIMER OF UNREGISTRABLE COMPONENT. Provides that the secretary of state may require the applicant to disclaim or the applicant may voluntarily disclaim an unregistrable component of a mark that is otherwise registrable. Prohibits a disclaimer from prejudicing or disclaiming certain rights.

Sec. 16.108. CONCURRENT APPLICATIONS FOR SAME OR SIMILAR MARK. Requires the secretary of state, when concurrently processing applications for the same or confusingly similar marks used in connection with the same or similar goods or services, to give priority to the application that was filed first. Requires the secretary of state to reject the other application if previously filed application is registered.

Sec. 16.109. DENIAL OF REGISTRATION. Sets forth requirements applicable if the secretary of state finds that the applicant is not entitled to register the mark. Authorizes the applicant to repeat the examination procedures until a certain date. Sets forth provisions applicable if the secretary of state finally refuses registration of the mark.

SECTION 3. Amends Section 16.11, Business & Commerce Code, to set forth requirements for the secretary of state if the application satisfies the requirements of this chapter, and the application, rather than filing, fee has been, rather than is, paid.

SECTION 4. Amends Section 16.14, Business & Commerce Code, by amending Subsection (a) and adding Subsection (d), to set forth provisions regarding the renewal of a mark under this chapter for an additional 10-year term.

SECTION 5. Amends Section 16.15(a), Business & Commerce Code, to require the secretary of state to keep for public examination a record of all other instruments recorded under Section 16.19 of this code.

SECTION 6. Amends Chapter 16B, Business & Commerce Code, by adding Sections 16.19, 16.20, and 16.21, as follows:

Sec. 16.19. RECORDATION OF OTHER INSTRUMENTS. Authorizes an instrument that is related to the ownership of a mark registered under this subchapter, including articles of merger or conversion or a document effecting a name change, to be recorded with the secretary of state by taking certain information. Provides that this section does not apply to the recording of a mortgage or a security interest or other instrument that is recordable under the Uniform Commercial Code. Prohibits a license agreement related to a mark registered under this chapter from being recorded under this section.

Sec. 16.20. TRANSFER OF MARK; CHANGE OF REGISTRANT'S NAME. Sets forth provisions applicable if ownership of a registered mark is transferred or a registrant's name is changed during the unexpired term of a registration. Requires a request for a new certificate to be signed by the registrant or transferee and accompanied by a fee in the amount set by Section 405.031(a), Government code, for an official certificate.

Sec. 16.21. POWERS OF SECRETARY OF STATE. Authorizes the secretary of state to adopt rules relating to the filing of documents under this subchapter. Authorizes the secretary of state to prescribe forms for use in filing documents under this subchapter.

SECTION 7. Amends Chapter 16C, Business & Commerce, by adding Section 16.31, as follows:

Sec. 16.31. CRIMINAL PENALTY. Provides that a person commits a Class A misdemeanor if the person knowingly or intentionally signs and presents or causes to be presented for filing a document that may be or is required to be filed under this chapter and that makes certain indications, contains a material false statement, or is forged.

SECTION 8. Repealers: 16.12(b) and 16.14(c), Business & Commerce Code (Expiration - Term of Registration; Filing- Renewal of Registration and Reregistration).

SECTION 9. Effective date: September 1, 1997.

SECTION 10. Emergency clause.