

BILL ANALYSIS

Senate Research Center

S.B. 1302
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DIGEST

Currently, the Texas Trademark Act (Act), enacted in 1962, is patterned in part on the Model State Trademark Bill, which in turn is modeled on the Federal Trademark Act. The act has not been substantially revised since 1967. This bill would amend the act to reflect the provisions currently found in the Model State Trademark Bill, as revised in 1992, and promulgated by the International Trademark Association, which seeks to encourage uniformity among state trade registration statutes. S.B. 1302 also harmonizes current statute with present practices and procedures established by the secretary of state.

PURPOSE

As proposed, S.B. 1302 revises the Texas Trademark Act to reflect recent changes in the Model State Trademark Bill, and harmonizes current statute with present practices and procedures established by the secretary of state. This bill also deletes the requirement that an application for registration or renewal be verified by the applicant or registrant and clarifies the authority of the secretary of state to adopt administrative rules regarding procedures for filing, examination, registration, and recordation in relation to trademark applications and related documents.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 16.10, Business & Commerce Code, to authorize 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; rather than requiring a person to file his 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 in the application if the applicant is a corporation, limited partnership, limited liability company, or other business entity, the state of incorporation or organization. Sets forth additional requirements regarding the application. Requires the applicant to submit as part of the application to the secretary of state a drawing of the mark that complies with any requirement specified by the secretary of state and an application fee, rather than filing fee, of \$50 payable to the secretary of state.

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 of 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 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 reasonable 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 an amendment to the application.

Sec. 16.107. **DISCLAIMER OF UNREGISTRABLE COMPONENT.** Authorizes the secretary of state to require the applicant to disclaim an unregistrable component mark that is otherwise registrable. Authorizes the applicant to voluntarily disclaim an unregistrable component of a mark that is otherwise registrable. Prohibits a disclaimer from prejudicing or affecting 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, if the previously filed application is registered, to reject the other application. Authorizes the applicant to bring an action for cancellation of the previously issued registration on the ground that the applicant has a prior or superior right to the mark under this chapter.

Sec. 16.109. **DENIAL OF REGISTRATION.** Requires the secretary of state to take certain actions if the secretary of state finds that the applicant is not entitled to register the mark. Authorizes the applicant to repeat the examination procedures described by Subsection (a) until a certain date or expiration. Authorizes the applicant to seek a review of the decisions of the secretary of state in accordance with the procedures prescribed by this chapter, if the secretary of state finally refuses registration of the mark.

SECTION 3. Amends Section 16.11, Business & Commerce Code, to make conforming and nonsubstantive changes.

SECTION 4. Amends Section 16.14, Business & Commerce Code, by amending Subsection (a) and adding Subsection (d), to delete a requirement regarding a form prescribed by the secretary of state. Requires the registrant to submit, in order to renew the registration of a mark for an additional 10-year term, a renewal application, rather than an affidavit stating certain information. Requires the renewal application to be signed by the registrant or the registrant's agent. Makes a nonsubstantive change.

SECTION 5. Amends Section 16.15(a), Business & Commerce Code, to require the secretary of state to keep for public examination, among others, 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 certain means. 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 subchapter from being recorded under this section.

Sec. 16.20. **TRANSFER OF MARK; CHANGE OF REGISTRANT'S NAME.** Authorizes the issuance of a new certificate for a certain term 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 a certain amount.

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

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

Sec.16.31. CRIMINAL PENALTY. Provides that a person commits a Class A misdemeanor, unless the person's intent is to defraud or harm another, in which event the offense is a state jail felony, 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 certain information, or is forged.

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

SECTION 9. Effective date: September 1, 1997.

SECTION 10. Emergency clause.