

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 864

Short Title: Update and Revise Trademark Act.

(Public)

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Sponsors: Senators McDaniel and Martin of Guilford.

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Referred to: Judiciary.

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April 15, 1997

A BILL TO BE ENTITLED

1 AN ACT TO CONFORM THE NORTH CAROLINA TRADEMARK REGISTRATION  
2 ACT TO THE 1992 MODEL STATE TRADEMARK BILL BY MAKING  
3 VARIOUS AMENDMENTS TO THE ACT, INCLUDING REPEALING THE  
4 REQUIREMENT THAT APPLICANTS FOR A REGISTRATION INCLUDE  
5 PROOF OF USE OF THE TRADEMARK IN NORTH CAROLINA.  
6

7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 80-1 reads as rewritten:

9 **"§ 80-1. Definitions.**

10 (a) The term 'applicant' as used herein means the person filing an application for  
11 registration of a trademark under this Article, ~~his~~the person's legal representatives,  
12 successors or assigns.

13 (b) The term 'mark' as used herein includes any trademark or service mark entitled  
14 to registration under this Article whether registered or not.

15 (c) The term 'person' as used herein means any individual, firm, partnership,  
16 corporation, association, union or other organization.

17 (d) The term 'registrant' as used herein means the person to whom the registration  
18 of a trademark under this Article is issued, ~~his~~the person's legal representatives,  
19 successors or assigns.

1       (d1) The term 'Secretary' as used herein means the Secretary of State or the  
2 designee of the Secretary charged with the administration of this Article.

3       (e) The term 'service mark' as used herein means a mark used in the sale or  
4 advertising of services to identify the services of one person and distinguish them from  
5 the services of others.

6       (f) The term 'trademark' as used herein means any word, name, symbol, or device  
7 or any combination thereof adopted and used by a person to identify goods made, sold, or  
8 distributed by him and to distinguish them from goods made, sold, or distributed by  
9 others.

10       (g) The term 'use' means the bona fide use of a mark in the State of North Carolina  
11 in the ordinary course of trade, and not merely the reservation of a right to a mark. For  
12 the purposes of this Article, a mark shall be deemed to be 'used' in this State (i) on goods  
13 when it is placed in any manner on the goods or their containers or the displays  
14 associated therewith or on the tags or labels affixed thereto, or if the nature of the goods  
15 makes ~~such~~ placement impractical, then on documents associated with the goods, and  
16 ~~such~~ the goods are currently sold or otherwise distributed in the State, and (ii) on services  
17 when it is used or displayed in the sale or advertising of services and the services are  
18 currently being rendered in this State, or are being offered and are available to be  
19 rendered in this State.

20       (h) A mark shall be deemed to be 'abandoned' when either of the following occurs:

21       (1) When its use has been discontinued with intent not to resume its use.  
22       Intent not to resume may be inferred from circumstances. Nonuse for  
23       two consecutive years shall constitute prima facie evidence of  
24       abandonment.

25       (2) When any course of conduct of the owner, including acts of omission as  
26       well as commission, causes the mark to lose its significance as a mark."

27       Section 2. Article 1 of Chapter 80 of the General Statutes is amended by  
28 adding a new section to read:

29 **"§ 80-1.1. Purpose.**

30       The purpose of this Article is to provide a system of State trademark registration and  
31 protection substantially consistent with the federal system of trademark registration and  
32 protection under the Trademark Act of 1946, 15 U.S.C. § 1051, et seq., as amended. The  
33 construction given the federal act should be examined as persuasive authority for  
34 interpreting and construing this Article."

35       Section 3. G.S. 80-2(5) reads as rewritten:

36       "(5) Consists of a mark which (i) when applied to the goods or services of  
37 the applicant, is merely descriptive of them or merely describes one or  
38 more of the characteristics, or is deceptively misdescriptive of them, or  
39 falsely describes the nature, function, capacity, or characteristics of  
40 them, or (ii) when applied to the goods or services of the applicant, is  
41 primarily geographically descriptive or deceptively misdescriptive of  
42 them, or (iii) is primarily merely a surname; provided, however, that  
43 nothing in this subdivision (5) shall prevent the registration of a mark

1 used in this State by the applicant which has become distinctive of the  
2 applicant's goods or services. The Secretary ~~of State~~ may accept as  
3 evidence that the mark has become distinctive, as applied to the  
4 applicant's goods or services, proof of continuous use thereof as a mark  
5 by the applicant in this State ~~or elsewhere~~ for the five years preceding the  
6 date ~~of the filing of the application for registration;~~ on which the claim of  
7 distinctiveness is made; or"

8 Section 4. G.S. 80-3 reads as rewritten:

9 "**§ 80-3. Application for registration.**

10 (a) Subject to the limitations set forth in this Article, any person who uses a mark,  
11 or any person who controls the nature and quality of the goods or services in connection  
12 with which a mark is used by another, in this State may file in the office of the Secretary  
13 ~~of State~~ in a format to be prescribed by the ~~Secretary of State,~~ Secretary, an application for  
14 registration of that mark setting forth, but not limited to, the following information:

15 (1) The name and business address of the person applying for ~~such~~  
16 registration; and, if a corporation, the state of incorporation. If the  
17 application for registration relates to a mark used in connection with  
18 goods, the applicant shall list either the address of the applicant's  
19 principal place of business in North Carolina or a place of distribution  
20 and usage of ~~such~~ the goods in this State. If the application for  
21 registration relates to a mark used in connection with services, the  
22 applicant shall list a physical location at which the services are being  
23 rendered or offered in this State;

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

27 (3) The date when the mark was first used anywhere and the date when it  
28 was first used in this State by the applicant, ~~his~~ the applicant's  
29 predecessor in business or by another under ~~such~~ the control of the  
30 applicant; and

31 (4) A statement that the applicant is the owner of the ~~mark~~ mark, that the  
32 mark is in use, and that to the best of ~~his~~ the knowledge of the person  
33 verifying the application, no other person has registered in this State, or  
34 ~~except as identified by applicant~~ has the right to use ~~such~~ the mark in this  
35 State either in the identical form thereof or in such near resemblance  
36 thereto as to be ~~likely~~ likely, when applied to the goods or services of the  
37 other person, to cause confusion, or to cause mistake, or to deceive.

38 (b) The application shall be signed and verified by the applicant, by a partner, by a  
39 member of the firm, or an officer of the corporation or association applying for  
40 registration. In states in which a notary is not required by law to obtain a notary's stamp  
41 or seal, an original certificate of authority of the notary issued by the appropriate State  
42 agency shall be submitted with the application. If the application is signed by a person

1 acting pursuant to a power of attorney from the applicant, an original power of attorney  
2 or a certified copy of the power of attorney shall accompany the application.

3 The application shall be accompanied by three specimens of the mark as currently  
4 used, ~~and proof of use or distribution in this State.~~

5 ~~The application for registration shall be accompanied used and by a filing fee of fifty~~  
6 dollars (\$50.00), payable to the ~~Secretary of State.~~ Secretary.

7 (c) The Secretary may require a statement as to whether an application to register  
8 the mark, or portions or a component of the mark, has been filed by the applicant or a  
9 predecessor in interest in the United States Patent and Trademark Office and, if so, the  
10 applicant shall provide any relevant information required by the Secretary, including the  
11 filing date and serial number of the application and the status of the application. If any  
12 application was finally refused registration or has otherwise not resulted in a registration,  
13 the Secretary may require the applicant to provide in the statement the reason the  
14 application was not registered. The Secretary may also require that a drawing of the mark  
15 accompany the application in a form specified by the Secretary."

16 Section 5. Article 1 of Chapter 80 of the General Statutes is amended by  
17 adding a new section to read:

18 "**§ 80-3.1. Examination of application.**

19 (a) Upon filing an application for registration and payment of the application fee,  
20 the Secretary may cause the application to be examined for conformity with this Article.

21 (b) The applicant shall provide any additional relevant information requested by  
22 the Secretary, including a description of a design mark, and may make, or authorize the  
23 Secretary to make, any amendments to the application reasonably requested by the  
24 Secretary or deemed by the applicant to be advisable to respond to a rejection or  
25 objection.

26 (c) The Secretary may require the applicant to disclaim an unregistrable  
27 component of a mark otherwise registrable, and an applicant may voluntarily disclaim a  
28 component of a mark requested to be registered. No disclaimer shall prejudice or affect  
29 the applicant's or registrant's rights then existing or thereafter arising in the disclaimed  
30 matter, or the applicant's or registrant's rights of registration on another application if the  
31 disclaimed matter is distinctive of the applicant's or registrant's goods or services.

32 (d) The Secretary may (i) amend the application submitted by the applicant, if the  
33 applicant consents, or (ii) require a new application be submitted.

34 (e) If the Secretary finds that the applicant is not entitled to registration, the  
35 Secretary shall advise the applicant of the reasons the applicant is not entitled to  
36 registration. The applicant shall have a reasonable period of time, specified by the  
37 Secretary, in which to reply or to amend the application. If the applicant replies and  
38 amends the application, the Secretary shall reexamine the application. This procedure  
39 may be repeated until (i) the Secretary finally refuses registration of the mark, or (ii) the  
40 applicant fails to reply or to amend the application within the specified period. If the  
41 applicant fails to reply or to amend the application, the application shall be deemed to  
42 have been abandoned.

1 (f) If the Secretary finally refuses registration of the mark, the applicant may seek  
2 a writ of mandamus to compel registration. The writ may be granted, without costs to the  
3 Secretary, on proof that all the statements in the application are true and that the mark is  
4 entitled to registration.

5 (g) When the Secretary receives more than one application seeking registration of  
6 the same or confusingly similar marks for the same or related goods or services and  
7 processes those applications concurrently, the Secretary shall grant priority to the  
8 applications in order of filing. If a previously filed application is granted a registration,  
9 any other application shall then be rejected. A rejected applicant may bring an action for  
10 cancellation of the registration on grounds of prior or superior rights to the mark, in  
11 accordance with the provisions of this Article."

12 Section 6. G.S. 80-4 reads as rewritten:

13 **"§ 80-4. Certificate of registration.**

14 Upon compliance by the applicant with the requirements of this Article, the Secretary  
15 ~~of State~~ shall cause a certificate of registration to be issued and delivered to the applicant.  
16 The certificate of registration shall be issued under the signature of the Secretary ~~of State~~  
17 and the seal of the State, and it shall show the name and business address and, if a  
18 corporation, the state of incorporation, of the person claiming ownership of the mark, the  
19 date claimed for the first use of the mark anywhere and the date claimed for the first use  
20 of the mark in this State, the class of goods or services and a description of the goods or  
21 services on which the mark is used, a reproduction of the mark, the registration date, the  
22 registration number and the term of the registration.

23 Any certificate of registration issued by the Secretary ~~of State~~ under the provisions  
24 hereof or a copy thereof duly certified by the Secretary ~~of State~~ shall be admissible in  
25 evidence as competent and sufficient proof of the registration of ~~such~~ the mark in any  
26 action or judicial proceedings in any court of this State."

27 Section 7. G.S. 80-5 reads as rewritten:

28 **"§ 80-5. Duration and renewal.**

29 Registration of a mark hereunder shall be effective for a term of ~~10~~ five years from the  
30 date of registration and shall be renewable for successive terms of ~~10~~ five years upon  
31 application filed within six months prior to the expiration of any term. A renewal fee of  
32 thirty-five dollars (\$35.00), payable to the Secretary ~~of State~~, Secretary, shall accompany  
33 the application for renewal of the registration. ~~Within six months following the expiration of~~  
34 ~~a term of five years from the date of registration, or the last renewal of registration of the mark,~~  
35 ~~the applicant shall submit a specimen showing evidence of current use of the mark and a signed~~  
36 ~~statement verifying the use of such mark on a form to be furnished by the Secretary of State.~~  
37 ~~Use of the form furnished by the Secretary of State is mandatory. Failure to submit this~~  
38 ~~verification and specimen showing evidence of current use shall be grounds for cancellation of~~  
39 ~~the registration of the mark by the Secretary of State.~~

40 ~~The Secretary of State shall notify registrants of marks hereunder of the necessity of~~  
41 ~~renewal within the year next preceding the expiration of the 10 years from the date of~~  
42 ~~registration, by writing to the last known address of the registrants.~~

1       ~~The Secretary of State shall notify registrants of marks hereunder of the necessity of~~  
2 ~~submitting evidence of current use of the mark after five years from the date of~~  
3 ~~registration or of the last renewal of registration of the mark, by writing to the last known~~  
4 ~~address of the registrants within the year preceding the due date for such submission.~~

5       Registration of marks ~~obtained~~ applied for under previous acts shall be continued in  
6 force for the full 10-year term ~~which is in effect October 1, 1991,~~ without the necessity of  
7 submitting evidence of current use of the mark during ~~such~~ the term.

8       All applications for renewals under this Article, whether of registrations made under  
9 this Article or of registrations ~~affected~~ effected under any prior act, shall be filed with the  
10 Secretary ~~of State~~ in a format prescribed by the Secretary ~~of State~~ specifying the  
11 information called for by G.S. 80-3 and shall include a statement that the mark is still in  
12 use in this State, setting forth those goods or services recited in the registration in  
13 connection with which the mark is still in use. The registration shall be renewed only as  
14 to ~~such~~ the goods and services."

15       Section 8. G.S. 80-6 reads as rewritten:

16 **"§ 80-6. Assignment.**

17       (a) Any mark and its registration hereunder shall be assignable with the goodwill  
18 of the business in which the mark is used, or with that part of the goodwill of the business  
19 connected with the use of and symbolized by the mark. Assignment shall be by  
20 instruments in writing duly executed and may be recorded with the Secretary ~~of State~~  
21 upon the payment of a fee of twenty-five dollars (\$25.00), payable to the Secretary ~~of~~  
22 ~~State~~ who, upon recording of the assignment, shall issue in the name of the assignee a  
23 new certificate for the remainder of the term of the registration or of the last renewal  
24 thereof. An assignment of any registration under this Article shall be void as against any  
25 subsequent purchaser for valuable consideration without notice, unless it is recorded with  
26 the Secretary ~~of State~~ within three months after the date thereof or prior to ~~such~~  
27 subsequent purchase.

28       (b) Any registrant or applicant effecting a change of the name of the person to  
29 whom the mark was issued or for whom an application was filed may record a certificate  
30 of change of name of the registrant or applicant with the Secretary upon payment of the  
31 recording fee required under G.S. 80-7. The Secretary may issue a certificate of  
32 registration of an assigned application in the name of the assignee. The Secretary may  
33 issue in the name of the assignee a new certificate for the remainder of the term of the  
34 registration or for the last renewal of the registration.

35       (c) Other instruments that relate to a mark registered or application pending  
36 pursuant to this Article, including licenses, security interests, and mortgages, may be  
37 recorded in the discretion of the Secretary, upon payment of the recording fee required  
38 under G.S. 80-7. Instruments authorized under this subsection shall be in writing and  
39 duly executed.

40       (d) Acknowledgment shall be prima facie evidence of the execution of an  
41 assignment or other instrument and, when recorded by the Secretary, the record shall be  
42 prima facie evidence of execution.

1 (e) A photocopy of any instrument referenced in subsection (a), (b), or (c) of this  
2 section shall be accepted for recording if it is certified by any party to the instrument, or  
3 the party's successor, to be a true and correct copy of the original."

4 Section 9. G.S. 80-7 reads as rewritten:

5 "**§ 80-7. Records.**

6 The Secretary ~~of State~~ shall keep for public examination all assignments recorded  
7 under G.S. 80-6 and a record of all marks registered or renewed under this Article. The  
8 Secretary ~~of State~~ shall collect the following fees for copying, comparing, and certifying a  
9 copy of any filed document relating to a trademark or service mark:

10 (1) Five dollars (\$5.00) for the certificate, and

11 (2) One dollar (\$1.00) per page for copying or comparing a copy to the  
12 original.

13 The Secretary ~~of State~~ shall collect a recording fee of ten dollars (\$10.00) for  
14 recording name changes of corporate registrants and for recording transfers of the  
15 registration of any mark by merger or consolidation if the articles of merger or  
16 consolidation are records not on file in the Corporate Division of the Department of the  
17 Secretary of State."

18 Section 10. G.S. 80-8 reads as rewritten:

19 "**§ 80-8. Cancellation.**

20 The Secretary ~~of State~~ shall cancel from the ~~register~~; register, in whole or in part:

21 (1) Repealed by Session Laws 1991, c. 626, s. 8.

22 (2) Any registration concerning which the Secretary ~~of State~~ shall receive a  
23 voluntary request for cancellation thereof from the registrant or the  
24 assignee of ~~record~~; record.

25 (3) All registrations granted under this Article and not renewed in  
26 accordance with the provisions ~~hereof~~; hereof.

27 (4) Any registration concerning which a court of competent jurisdiction  
28 shall ~~find~~ find:

29 a. That the registered mark has been abandoned or has become  
30 incapable of serving as a mark;

31 b. That the registrant is not the owner of the mark;

32 c. That the registration was granted improperly;

33 d. That the registration was obtained fraudulently;

34 e. That the registration is for a mark that is or has become the  
35 generic name for the goods or services for which it has been  
36 registered or for a portion of the goods or services for which it  
37 has been registered;

38 f. That the registration was obtained by means of materially false  
39 statements in the application for registration; or

40 g. That the registration is so similar to another mark used in the  
41 State as to be likely to cause confusion or mistake or to deceive if  
42 (i) the other mark was registered by another person in the United  
43 States Patent and Trademark Office prior to the date of the

1            applicant's first use of the mark that is the subject of the  
2            application for registration, and (ii) the other mark has not been  
3            abandoned. However, if the registrant proves that the registrant is  
4            the owner of a concurrent registration of a mark in the United  
5            States Patent and Trademark Office covering an area including  
6            the entire State, the registration shall not be cancelled.

7            (5) Any registration when a court of competent jurisdiction shall order  
8            cancellation ~~thereof; thereof.~~

9            (6) ~~Any registration for which compliance with the five-year evidence of~~  
10           ~~use requirement of G.S. 80-5 has not been effected; or~~

11           (7) ~~Any registration which was obtained by means of false statements in the~~  
12           ~~application for registration."~~

13           Section 11. G.S. 80-9 reads as rewritten:

14           **"§ 80-9. Classification.**

15           ~~The following general classes of goods and services are established. The Secretary shall~~  
16           establish a classification of goods and services for convenience of administration of this  
17           Article, but not to limit or extend the applicant's or registrant's rights, and a single  
18           application for registration of a mark may include any or all goods upon which, or  
19           services for which, the mark is actually being used ~~comprised in a single class, but in no~~  
20           ~~event shall a single application include goods or services upon or for which the mark is being~~  
21           ~~used which fall within different classes of goods or services. indicating the appropriate class~~  
22           or classes of goods or services. When a single application includes goods or services that  
23           fall within multiple classes, the Secretary may require payment of a fee for each class.  
24           ~~The Secretary of State shall have the right to may amend the classes herein established to~~  
25           ~~conform the same them to the classification established for the United States Patent and~~  
26           Trademark Office as from time to time amended.

27           ~~The said classes are as follows:~~

28           (a) Goods.—

- 29           1. ~~Raw or partly prepared materials.~~
- 30           2. ~~Receptacles.~~
- 31           3. ~~Baggage, animal equipments, portfolios, and pocketbooks.~~
- 32           4. ~~Abrasives and polishing materials.~~
- 33           5. ~~Adhesives.~~
- 34           6. ~~Chemicals and chemical compositions.~~
- 35           7. ~~Cordage.~~
- 36           8. ~~Smokers' articles, not including tobacco products.~~
- 37           9. ~~Explosives, firearms, equipments, and projectiles.~~
- 38           10. ~~Fertilizers.~~
- 39           11. ~~Inks and inking materials.~~
- 40           12. ~~Construction materials.~~
- 41           13. ~~Hardware and plumbing and steam-fitting supplies.~~
- 42           14. ~~Metals and metal castings and forgings.~~
- 43           15. ~~Oils and greases.~~



- 1 16. ~~Protective and decorative coatings.~~
- 2 17. ~~Tobacco products.~~
- 3 18. ~~Medicines and pharmaceutical preparations.~~
- 4 19. ~~Vehicles.~~
- 5 20. ~~Linoleum and oiled cloth.~~
- 6 21. ~~Electrical apparatus, machines, computer hardware, video tapes, and~~
- 7 ~~supplies.~~
- 8 22. ~~Games, toys, and sporting goods.~~
- 9 23. ~~Cutlery, machinery, and tools, and parts thereof.~~
- 10 24. ~~Laundry appliances and machines.~~
- 11 25. ~~Locks and safes.~~
- 12 26. ~~Measuring and scientific appliances and computer software.~~
- 13 27. ~~Horological instruments.~~
- 14 28. ~~Jewelry and precious metal ware.~~
- 15 29. ~~Brooms, brushes, and dusters.~~
- 16 30. ~~Crockery, earthenware, and porcelain.~~
- 17 31. ~~Filters and refrigerators.~~
- 18 32. ~~Furniture and upholstery.~~
- 19 33. ~~Glassware.~~
- 20 34. ~~Heating, lighting, and ventilating apparatus.~~
- 21 35. ~~Belting, hose, machinery packing, and nonmetallic tires.~~
- 22 36. ~~Musical instruments and supplies.~~
- 23 37. ~~Paper and stationery.~~
- 24 38. ~~Prints and publications.~~
- 25 39. ~~Clothing.~~
- 26 40. ~~Fancy goods, furnishings, and notions.~~
- 27 41. ~~Canes, parasols, and umbrellas.~~
- 28 42. ~~Knitted, netted and textile fabrics, and substitutes therefor.~~
- 29 43. ~~Thread and yarn.~~
- 30 44. ~~Dental, medical, and surgical appliances.~~
- 31 45. ~~Soft drinks and carbonated waters.~~
- 32 46. ~~Foods and ingredients of foods.~~
- 33 47. ~~Wines.~~
- 34 48. ~~Malt beverages and liquors.~~
- 35 49. ~~Distilled alcoholic liquors.~~
- 36 50. ~~Merchandise not otherwise classified.~~
- 37 51. ~~Cosmetics and toilet preparations.~~
- 38 52. ~~Detergents and soaps.~~
- 39 (b) ~~Services.—~~
- 40 100. ~~Miscellaneous.~~
- 41 101. ~~Advertising and business.~~
- 42 102. ~~Insurance and financial.~~
- 43 103. ~~Construction and repair.~~

- 1           ~~104. Communications.~~  
2           ~~105. Transportation and storage.~~  
3           ~~106. Material treatment.~~  
4           ~~107. Education and entertainment."~~  
5           Section 12. G.S. 80-10 reads as rewritten:

6 **"§ 80-10. Fraudulent registration.**

7           Any person who shall for himself, or on behalf of any other person, procure the filing  
8 or registration of any mark in the office of the Secretary ~~of State~~ under the provisions  
9 hereof, by knowingly making any false or fraudulent representation or declaration,  
10 verbally or in writing, or by any other fraudulent means, shall be liable to pay all  
11 damages sustained in consequence of ~~such~~ filing or registration, to be recovered by or on  
12 behalf of the party injured thereby in any court of competent jurisdiction."

13           Section 13. This act takes precedence over all statutes that are inconsistent  
14 with this act or that contradict this act, effective October 1, 1997. The Secretary of State  
15 shall advise the General Statutes Commission of any statutes that should be amended or  
16 repealed to conform to this act.

17           Section 14. This act becomes effective October 1, 1997, and applies to acts  
18 occurring on or after that date. This act shall not affect any suit, proceeding, or appeal  
19 pending on October 1, 1997.