

HB

450

Alaska State Legislature

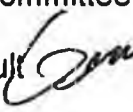
REPRESENTATIVE
GENE THERRIAULT
P.O. Box 55326
North Pole, Alaska 99705
(907) 488-0862

White in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797

House District 33

House Of Representatives

To: Representative Brian Porter
Chairman, House Judiciary Committee

From: Representative Gene Therriault 

Date: February 20, 1996

Re: Hearing request for House Bill 450

I would like to request a hearing for House Bill 450, "An act relating to trademarks; amending Alaska Rule of Appellate Procedure 609; and providing for an effective date."

This legislation is intended to update the State Trademark Act, which has not been changed since the mid-60s. The bill is modeled closely to the Model State Trademark Bill, written by the International Trademark Association. It would allow the registration of marks that currently cannot be registered under state law, such as service marks, certification marks and collective marks. The legislation was introduced at the request of the Division of Banking, Securities and Corporations.

Attached to this memorandum are:

1. Sponsor statement
2. Sectional analysis
3. Current fiscal notes
4. Position statement
5. Background materials
6. Two proposed amendments

We are not requesting a teleconference at this time.

I am also submitting two amendments for the committee's consideration. Amendment 1 would allow the agencies affected by the Act to proceed with regulations necessary to implement the changes enacted by the new law prior to the effective date of the bill. This is necessary so that regulations are in place when the bill goes into effect. Amendment 2 is a technical change to correct an error made in drafting.

HB 450 Hearing Request
Page 2

Passage of the legislation is needed to strengthen the intellectual property rights for Alaska's business community. I would appreciate consideration of this bill at the Committee's earliest convenience. Thank you.

Alaska State Legislature

REPRESENTATIVE
GENE THERRIALT
P.O. Box 55326
North Pole, Alaska 99705
(907) 488-0862

House District 33

While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797

House Of Representatives

HB 450 "An act relating to trademarks; amending Alaska Rule of Appellate Procedure 609; and providing for an effective date."

Sponsor: Representative Gene Therriault

Sponsor Statement:

This legislation is intended to update the State Trademark Act. Alaska's current law is modeled upon the 1964 Lanham Act. The proposed revision is to bring Alaska's trademark law current with the changes to the Lanham Act over the past 30 years, and is modeled closely to the Model State Trademark Bill written by the International Trademark Association. This revision will allow the registration of marks that currently cannot be registered under state law, such as service marks, certification marks and collective marks. The legislation was introduced at the request of the Division of Banking, Securities and Corporations. Passage of the legislation is needed to strengthen the intellectual property rights for Alaska's business community.

2/5/96

Sectional Analysis

House Bill 450, "An act relating to trademarks; amending Alaska Rule of Appellate Procedure 609; and providing for an effective date."

The revisions to this bill are based on the Model State Trademark Bill, promulgated by the International Trademark Association.

- Section 1** INTENT. The legislation is intended to make Alaska's system of state trademark registration consistent with the federal system.
- Section 2** Replaces the term "trademark" with the term "marks" as they relate to the income the state derives from rentals or royalties for using the marks. A trademark refers only to a word, name or symbol placed on a product to identify who made it. "Mark" includes a "certification mark," "collective mark," "service mark," and "trademark." A certification mark is used by someone other than the registrant to certify characteristics of the product or that the product was made by a union; a collective mark is used by members of a cooperative or association to indicate membership in a union; a service mark is used to identify the services of a person. This change is made throughout the bill.
- Section 3** AS 45.50.010 (1) - (5) Contains clarification and grammatical changes, including addition of the words "when used on or in connection with" to describe how a mark must be used. This change is made throughout the bill.
AS 45.50.010 (6) States that a mark cannot resemble another mark registered with the United States Patent and Trademark Office. The current law states the mark cannot resemble another mark registered in the state.
- Section 4** Adds definitions for "descriptive" and "misdescriptive" by stating that when words describing goods or services become accepted as identifying the goods or services, the words are no longer merely descriptive. Defines "misdescriptive" as words that falsely describe goods or services.
- Section 5** Changes the entity with whom a mark must be registered from the department to the commissioner, and makes technical changes.
(1) (B) Adds the following to the information that must be included when registering a trademark:

- the partnership, the state in which the partnership is organized and the names of the general partners.

- a statement that to the best of the applicant's knowledge, no other person has previously registered a confusingly similar mark.

- a statement as to whether an application to register a mark has been filed with the United States Patent and Trademark Office by the applicant or a predecessor and, if registration was refused, why. The change is in response to comments from state trademark administrators who want to benefit from any prior federal examinations.

- Section 6** Adds a new section regarding the application procedure. This section clarifies the commissioner's authority to accept or reject an application, based on the registrability of the proposed mark. Current law gives the commissioner no direction on the procedure for examining applications.
- Section 7** Adds partnership to the list of groups that can apply to register a mark and requires three examples showing use of the mark on or in connection with the goods.
- Section 8** Takes the filing fee out of statute and allows it to be set by the department. This is to allow greater flexibility.
- Section 9** Adds the following to the information to be shown on the certificate:
- if a corporation, the state of incorporation
 - if a partnership, the state in which the partnership is organized and the names of the general partners.
- Makes various other technical revisions, such as adding "services" to the definition of products that can be registered. This change is made throughout the bill.
- Section 10** Changes "department" to "commissioner" as the party that issues certificates. Similar changes are made throughout the bill.
- Section 11** Changes the duration of regular registration from 10 years to five years to reduce the number of "deadwood" registrations. "Deadwood" refers to marks that have not been used in commerce for an extended period of time.
- Section 12** Adds a subsection stating that renewal applications must include a verified statement that the mark has been and still is in use.

- Section 13** Takes the renewal fee out of statute and allows it to be set by the department.
- Section 14** Reduces the renewal time from 10 successive years to five successive years.
- Section 15** Changes the time the commissioner must notify registrants of the need to renew from one year to six months before the mark expires.
- Section 16** Makes technical changes consistent with the rest of the bill.
- Section 17** Adds a new section regarding name changes and other filings. Under previous versions of the Model Bill, assignments of trademark registrations and applications are recordable. This section was revised to allow the recording of name changes as well.
45.50.125(b) Allows the recording of other instruments that relate to state trademark registrations such as licenses, security interests or mortgages.
- Section 18** Technical amendments to reflect other changes.
- Section 19** Provides that the commissioner can cancel registrations that expire and are not renewed under AS 45.50.070 - 45.50.090. Currently, the commissioner can cancel a mark that was registered under previous law, is more than five years old and has not been renewed.
45.50.140 (f) Provides that a registration may be canceled if the mark has become generic.
- Section 20** Adds a new section stating that a mark is abandoned when use of the mark has been discontinued and the registrant has no intent to resume its use, or when the mark loses its significance as a mark due to action or failure to act. No use of a mark for two years is sufficient to prove that registration has been abandoned.
- Section 21** This section affects classification of goods and services. Some states have adopted the old U.S. classification system while others have converted to the International classification system. The bill removes direct delineation and states that to the extent practical, the classification of goods and services should conform to the classification adopted by the United States Patent and Trademark Office.
- Section 22** Makes technical amendments.

- Section 23** Makes technical amendments.
- Section 24** Makes technical amendments.
- Section 25** Provides remedies for cases involving infringement, in the form of a judgment for punitive damages not to exceed three times the profits, damages, and reasonable attorney fees of the prevailing party.
- Section 26** Adds new sections regarding dilution of a mark. Dilution is the lessening of the capacity of a mark to identify and distinguish goods or services. Often the distinctiveness of a famous mark is diluted when it is used without the owner's consent on dissimilar products over a period of time, gradually chipping away the famous mark's foundation. 45.50.180 (d) gives a registrant the right to file an injunction against another's dilution of a famous mark, and to collect damages if the dilution was intentional. It lists factors to be considered when determining if a mark is famous.
- Section 27** Provides definitions.
45.50.200 (10) Adds a new definition for "use" or "used." The word "use" has been revised according to the standards of the Trademark Law Revision Act and to cover only "use in the state." The requirement of intrastate use eliminates possible ambiguities created by alternate references to "use" or "used."
45.50.200 (11) Adds a new definition for "verified."
- Section 28** Makes technical amendments
- Section 29** Makes technical amendments
- Section 30** Makes technical amendments
- Section 31** Provides a transition period, stating that the amendments do not apply to an application or proceeding pending on the effective date of the act, and that a registration or renewal of a registration that is in effect on the effective date of the Act remains in effect despite the Act.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB 450

Revision Date: _____
Title: An Act Relating to Trademarks
Sponsor: Representative Therriault
Requestor: _____

Department: Commerce and Economic Development
BRU: Banking, Securities and Corporations
Component: Banking, Securities and Corporations

COMPONENT SERIAL NO. 1233

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES	4.0	11.3	12.4	13.6	14.9	16.4
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund	4.0	11.3	12.4	13.6	14.9	16.4
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	4.0	11.3	12.4	13.6	14.9	16.4

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

HB 450 will remove fees from the statute and give the Commissioner authority to promulgate fees by regulation. The current fee for new registration and renewals is \$10.00 per application. The current fee for assignment is \$2.00. The current fees have not increased in 30 years. The increase in revenue is based on an anticipated fee for new registrations and renewals of \$50.00 and an assignment fee of \$50.00.

Prepared by: Willis F. Kirkpatrick, Director
Division: Banking, Securities and Corporations
Approved by Commissioner: William L. Hensley
Agency: Commerce and Economic Development

Phone: 465-2521
Date: 1-29-96
Date: 1-29-96

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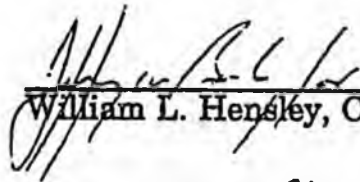
HB 450

The department supports the passage of HB 450. Passage of this bill will make the Alaska Trademark Act substantially consistent with the federal system of trademark registration, and will strengthen "intellectual property" (various types of trademark forms) rights for Alaskan businesses.

The major improvements to the Alaska Trademark Act, proposed by HB 450, include broadening trademark protection to service providers, adding additional remedies to trademark owners for infringement, and providing anti-dilution provisions for "intellectual property" owners whose trademark has become famous in this state.

The department endorses the intent of this bill to update the Alaska Trademark Act, and strengthen "intellectual property" rights for Alaskan businesses.

The department expects no additional cost will be incurred by this legislation.



William L. Hensley, Commissioner

Date: 1-31-96



STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS

DEPARTMENT Commerce & Economic Dev.	DIVISION Banking, Securities & Corp.	BILL NUMBER HB 450	SPONSOR Representative Gene Therriault
SHORT TITLE OF BILL Alaska Trademark Act			
DEPARTMENT POSITION The department supports passage of HB 450			
PREPARED BY Willis F. Kirkpatrick, Director	DATE 1/30/96	COMMISSIONER'S SIGNATURE <i>[Signature]</i>	DATE 1-31-96

SUMMARY

OTHER AGENCIES AFFECTED BY BILL None	CONSTITUENT GROUP(S) AFFECTED BY BILL Any type of business owners in Alaska who use words or logos to identify their goods and services. Legal practitioners in intellectual property.
ORGANIZATIONAL SUPPORT FOR BILL The International Trademark Association, Intellectual Property Attorneys	ORGANIZATIONAL OPPOSITION TO BILL None

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT
HB 450 was patterned to be substantially consistent with the federal system of trademark registration under the Lanham Act of 1946, as amended.

ANALYSIS OF BILL/PROGRAM EFFECTS
The current Act is modeled after a pre 1964 version of the Model State Trademark Bill, and has not kept pace with changes to the Lanham Act which have occurred over the past 30 years. The proposed legislation is based upon a revision to the MSTB which was adopted by the International Trademark Association, the International Association of Corporation Administrators, and the National Association of Secretaries of State. HB 450 will make the State Trademark Act more consistent with the Lanham Act, and will strengthen intellectual property rights for Alaskan businesses.

AMENDMENTS PROPOSED
Sec. 32. **TRANSITION: REGULATIONS.** Notwithstanding Sec. 33 of this Act, the state agencies affected by this Act may proceed to adopt regulations necessary to implement changes in law enacted by this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the respective effective date of the change in law in this Act.

Sec. 33. This Act takes effect January 1, 1997.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS



FAX

To: Representative Theriault
Alaska State Legislature
Room 421, State Capitol
Juneau, Alaska 99801-1182

From: Don and Rose Harris
Cookhouse, Inc.
dba: Red Dog Saloon
Juneau, Alaska
FAX: 541-347-4061
pages 1 of 2

Re: Revision of the Alaska Trademark Act

Dear Representative Theriault:

With much enthusiasm, we want you to "forge ahead" to update Alaska's State Trademark Act. Over the past several years, our well known Alaska landmark, the Red Dog Saloon, has been infringed upon, diluted and identified with as major in-state/out-of-state business concerns attempt to do business in Alaska. Each time our corporation has "rallied to the cause" to defend our registered trademark. And, each time this procedure has cost many dollars and expended undue time and energies away from our business activities.

We learned that the existing system of state trademark registration and protection is vague at best and almost impossible to defend. One of the major obstacles is Alaska's inconsistency with the federal system of trademark registration.

You have our support for your efforts to sponsor legislation to update Alaska's State Trademark Act. We can swap "horror stories", show you examples of large companies attempting to use our trademark, or simply talk with you as you make progress. If we can be of assistance, contact us.

Don and Rose Harris
Cookhouse, Inc.
200 Admiral Way
Gunnear, Alaska
FAX: 541 347 4061

Amendment 1

Sec. 32 TRANSITION: REGULATIONS. Notwithstanding Sec. 33 of this Act, the state agencies affected by this Act may proceed to adopt regulations necessary to implement changes in law enacted by this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the respective effective date of the change in law in this Act.

Sec. 33 This Act takes effect January 1, 1997.

Amendment 2

Section 30

Page 16, Line 14. Change "AS 45.50.025(d), added by sec. 5 of this act, amends Alaska Rule of Appellate" to "AS 45.50.025(d), added by sec. 6 of this act, amends Alaska Rule of Appellate"

(7)

HOUSE COMMITTEE REPORT

Date Referred to Committee: January 26, 1996

FURTHER REFERRALS:

Judiciary

Date of Committee Action: 2-19-96

The LABOR AND COMMERCE Committee considered:

HB 450

HOUSE BILL NO. 450

ALASKA TRADEMARK ACT

"An Act relating to trademarks; amending Alaska Rule of Appellate Procedure 609; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 450 (L&C) the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal note(s) CFD (BSC)

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	

CHAIR'S SIGNATURE *[Signature]*

LANE
POWELL
SPEARS
LUBERSKY

February 16, 1996

Mark Rindner

Law Offices

550 W. 7th Ave.
Suite 1650
Anchorage, AK
99501-3568

(907) 277-9511

Facsimile:

(907) 276-2631

A Partnership
Including
Professional
Corporations

The Honorable Gene Therriault
Representative
Alaska House of Representatives
Room 421 State Capitol
Juneau, AK 99801-1182

Re: House Bill No. 450, and Act Relating to Trademarks

Dear Representative Therriault:

I am writing to express my support for House Bill 450, entitled "An Act Relating to Trademarks; Amending Alaska Rule of Appellate Procedure 609; and Providing for An Effective Date." This legislation is based on the revised Model State Trademark Bill, a document drafted in 1992 by the International Trademark Association (INTA), the world's leading organization of trademark owners and practitioners. My firm, Lane Powell Spears Lubersky, is a member of INTA. As an attorney, I encourage the Alaska Legislature to adopt this measure.

House Bill 450 reflects, in part, recent amendments made to the Lanham Act, the federal trademark statute that has effectively protected the interests of consumers and the business community over a period of fifty years. It also promotes consistency with new changes to the trademark laws of other states.

The enactment of this legislation will improve the functioning of the state trademark system. It will allow me and my firm to better defend our clients' marks against infringement and improve the quality of trademark searches undertaken by the Department of Commerce and Economic Development. The promotion of trademarks and the recognition of the important role they play in commerce will also be greatly enhanced.

Please feel free to contact me should you have any questions concerning my support of House Bill 450.

Anchorage, AK
Los Angeles, CA
Mount Vernon, WA
Olympia, WA
Portland, OR
Seattle, WA

London, England
Tokyo, Japan

The Honorable Gene Therriault
February 16, 1996
Page 2

Thank you for your assistance.

Very truly yours,

LANE POWELL SPEARS LUBERSKY

A handwritten signature in cursive script that reads "Mark Rindner".

Mark Rindner

cc: Anne W. Glazer, Esq.

MR\therriau.ltr

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1029 WEST THIRD AVENUE, SUITE 300 · ANCHORAGE, ALASKA 99501-1970
TELEPHONE: (907) 279-8561 · FACSIMILE: (907) 276-3108

February 12, 1996

The Honorable Pete Kott
Chair, Committee on Labor and Commerce
Alaska House of Representatives
Room 432 State Capitol
Juneau, AK 99801-1182

Re: House Bill No. 450, an Act Relating to Trademarks

Dear Representative Kott:

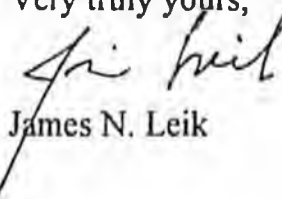
I am writing to express my support for House Bill 450, entitled "An Act Relating to Trademarks; Amending Alaska Rule of Appellate Procedure 609; and Providing for An Effective Date." This legislation is based on the revised Model State Trademark Bill, a document drafted in 1992 by the International Trademark Association (INTA), the world's leading organization of trademark owners and practitioners. My firm, Perkins Coie, is a member of INTA.

House Bill 450 reflects, in part, recent amendments made to the Lanham Act, the federal trademark statute that has effectively protected the interests of consumers and the business community over a period of fifty years. It also promotes consistency with new changes to the trademark laws of other states.

The enactment of this legislation will improve the functioning of Alaska's trademark system. It will allow our firm to better defend our clients' marks against infringement and improve the quality of trademark searches undertaken by the Department of Commerce and Economic Development. The promotion of trademarks and the recognition of the important role they play in commerce will also be greatly enhanced.

Thank you for your assistance.

Very truly yours,



James N. Leik

JNL:dln

[/AA960430.009]