

56:3-13.1a

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LAWS OF: 1995 **CHAPTER:** 171

BILL NO: A2424

SPONSOR(S): Bagger and Solomon

DATE INTRODUCED: December 15, 1994

COMMITTEE: **ASSEMBLY:** Commerce
SENATE: ---

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First reprint enacted **denoted by superscript numbers**

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KBG:pp

[FIRST REPRINT]
ASSEMBLY, No. 2424

STATE OF NEW JERSEY

INTRODUCED DECEMBER 15, 1994

By Assemblymen BAGGER and SOLOMON

1 AN ACT concerning trademarks, amending and supplementing
2 P.L.1966, c.263, amending P.L.1987, c.454, and repealing
3 sections 1 and 9 of P.L.1966, c.263.

4
5 BE IT ENACTED by the Senate and General Assembly of the
6 State of New Jersey:

7 1. (New section) As used in this act:

8 "Abandoned," when used with reference to a mark, means the
9 occurrence of either of the following:

10 (1) When its use has been discontinued with intent not to
11 resume that use. Intent not to resume may be inferred from
12 circumstances. Nonuse for two consecutive years shall constitute
13 prima facie evidence of abandonment.

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

17 "Act" means and refers to P.L.1966, c.263 (C.56:3-13.2 et seq.)
18 as amended and supplemented by: P.L.1971, c.171 (C.56:3-13.7a);
19 P.L.1987, c.454 (C.56:3-13.16 et seq.); and P.L. , c.
20 (C.)(pending before the Legislature as this bill).

21 "Applicant" means the person filing an application for
22 registration of a mark under this act, and the legal
23 representatives, successors, or assigns of that person.

24 "Dilution" means the lessening of the capacity of the
25 registrant's mark to identify and distinguish goods or services,
26 regardless of the presence or absence of competition between the
27 parties, or the likelihood of confusion, mistake, or deception.

28 "Mark" means any trademark or service mark entitled to
29 registration under this act, whether registered or not.

30 "Owner" means a person who has legal rights to a mark either
31 as a result of registration or at common law.

32 "Person" means a natural person, and also includes a firm,
33 partnership, corporation, union, association, or other organization
34 capable of suing and being sued in a court of law.

35 "Registrant" means the person to whom the registration of a
36 mark under this act is issued, and the legal representatives,
37 successors, or assigns of that person.

38 "Secretary" or "Secretary of State" means the Secretary of
39 State of New Jersey or the designee of the secretary charged
40 with the administration of this act.

41 "Service mark" means any word, name, symbol, or device, or
42 any combination thereof, used by a person to identify and

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:
1 Assembly floor amendments adopted March 13, 1995.

1 distinguish the services of one person, including a unique service,
2 from the services of others, and to indicate the source of the
3 services, even if that source is unknown. Service mark includes
4 titles, character names used by a person, and other distinctive
5 features of radio or television programs, notwithstanding that
6 they, or the programs, advertise the goods of the sponsor.

7 "Trademark" means any word, name, symbol, or device, or any
8 combination thereof, used by a person to identify and distinguish
9 the goods of the person, including a unique product, from those
10 manufactured and sold by others, and to indicate the source of
11 the goods, even if that source is unknown.

12 "Trade name" means any name used by a person to identify a
13 business or vocation of the person.

14 "Use" means the bona fide use of a mark in the ordinary course
15 of trade in this State, and not made merely to reserve a right in a
16 mark. A mark shall be deemed to be in use: (1) on goods when it
17 is placed in any manner on the goods or their containers, or the
18 displays associated with the goods or containers, or on the tags or
19 labels affixed to the goods or containers, or if the nature of the
20 goods makes placement impracticable, then on the documents
21 associated with the goods or their sale, and the goods are sold or
22 transported in commerce in this State; and (2) on services when it
23 is used or displayed in the sale or advertising of services and the
24 services are rendered in this State.

25 2. Section 2 of P.L.1966, c.263 (C.56:3-13.2) is amended to
26 read as follows:

27 2. Registrability.

28 A mark by which the goods or services of [any] an applicant for
29 registration may be distinguished from the goods or services of
30 others shall not be registered if it:

31 (a) consists of or comprises immoral, deceptive or scandalous
32 matter; or

33 (b) consists of or comprises matter which may disparage or
34 falsely suggest a connection with persons, living or dead,
35 institutions, beliefs, or national symbols, or bring them into
36 contempt, or disrepute; or

37 (c) consists of or comprises the flag or coat of arms or other
38 insignia of the United States, or of any [State] state or
39 municipality, or of any foreign nation, or any simulation thereof;
40 or

41 (d) consists of or comprises the name, signature or portrait [of
42 any] identifying a particular living individual, except [with his] by
43 the individual's written consent; or

44 (e) consists of a mark which, (1) when [applied to] used on or in
45 connection with the goods or services of the applicant, is merely
46 descriptive or deceptively misdescriptive of them, or (2) when
47 [applied to] used on or in connection with the goods or services of
48 the applicant is primarily geographically descriptive or
49 deceptively misdescriptive of them, or (3) is primarily merely a
50 surname; provided, however, that nothing in this [section]
51 subsection (e) shall prevent the registration of a mark used [in
52 this State] by the applicant which has become distinctive of the
53 applicant's goods or services. The Secretary of State may accept
54 as evidence that the mark has become distinctive, as [applied to]

1 used on or in connection with the applicant's goods or services,
2 proof of continuous use thereof as a mark by the applicant in this
3 State [or elsewhere] for the [5] five years [next preceding the
4 date of the filing of the application for registration] before the
5 date on which the claim of distinctiveness is made; or

6 (f) consists of or comprises a mark which so resembles a mark
7 registered in this State or a mark or trade name previously used
8 in this State by another and not abandoned ¹or dissolved¹, as to
9 be likely, when [applied to] used on or in connection with the
10 goods or services of the applicant, to cause confusion or mistake
11 or to deceive.

12 (cf: P.L.1966, c.263, s.2)

13 3. Section 3 of P.L.1966, c.263 (C.56:3-13.3) is amended to
14 read as follows:

15 3. Application for registration.

16 Subject to the limitations set forth in this act, any person who
17 [adopts and] uses a mark [in this State] may file in the office of
18 the Secretary of State, [on a form to be furnished by the
19 Secretary of State] in a manner complying with the requirements
20 of the Secretary of State, an application for registration of that
21 mark setting forth, but not limited to, the following information:

22 (a) the name and business address of the person applying for
23 [such] registration; and, if a corporation the state of
24 incorporation, or, if a partnership, the state in which the
25 partnership is organized and the names of the general partners, as
26 specified by the Secretary of State;

27 (b) the goods or services on or in connection with which the
28 mark is used and the mode or manner in which the mark is used
29 on or in connection with such goods or services and the class in
30 which such goods or services fall;

31 (c) the date when the mark was first used anywhere and the
32 date when it was first used in this State by the applicant or [his] a
33 predecessor in [business] interest; and

34 (d) a statement that the applicant is the owner of the mark,
35 that the mark is in use, and that, to the knowledge of the person
36 verifying the application, no other person has registered the
37 mark, either with the United States Patent and Trademark Office
38 or with the Secretary of State, or has the right to use such mark
39 [in this State] either in the identical form thereof or in such near
40 resemblance thereto as [might be calculated to deceive or to be
41 mistaken therefor] to be likely, when used on or in connection
42 with the goods or services of such other person, to cause
43 confusion, or to cause mistake, or to deceive.

44 The Secretary of State may require a statement as to whether
45 an application to register the mark, or portions of a composite of
46 the mark, has been filed by the applicant or a predecessor in
47 interest in the United States Patent and Trademark Office; and,
48 if so, the applicant shall provide the Secretary of State with
49 information regarding any application, including the filing date
50 and serial number of each application, the status of each
51 application and, if any application was refused registration or has
52 otherwise not resulted in a registration, the reasons for the
53 refusal or for the application not resulting in registration.

54 The application shall be typed and prepared on 8-1/2" x 11"

1 bond paper, or prepared using any other means approved by the
2 Secretary of State. The Secretary of State shall also require that
3 a drawing of the mark, complying with requirements that the
4 Secretary of State may specify, accompany the application.

5 The application shall be signed and verified by oath,
6 affirmation or declaration subject to punishment for perjury, by
7 the applicant or by a member of the firm or an officer of the
8 corporation or association applying.

9 The application shall be accompanied by [a specimen or
10 facsimile of such mark in triplicate] three specimens showing the
11 mark as actually used.

12 The application [for registration] shall be accompanied by [a
13 filing] an application fee [of \$50.00] established by and payable to
14 the Secretary of State.

15 (cf: P.L.1987, c.435, s.22)

16 4. Section 4 of P.L.1966, c.263 (C.56:3-13.4) is amended to
17 read as follows:

18 4. Certificate of registration.

19 Upon compliance by the applicant with the requirements of this
20 act, the Secretary of State shall cause a certificate of
21 registration to be issued and delivered to the applicant. The
22 certificate of registration shall be issued under the signature of
23 the Secretary of State and the Seal of the State, and it shall show
24 the name and business address and, if a corporation, the state of
25 incorporation, or if a partnership, the state in which the
26 partnership is organized and the names of the general partners, as
27 specified by the Secretary of State, of the person claiming
28 ownership of the mark, the date claimed for the first use of the
29 mark anywhere and the date claimed for the first use of the mark
30 in this State, the class of goods or services and a description of
31 the goods or services on or in connection with which the mark is
32 used, a reproduction of the mark, the registration date and the
33 term of the registration.

34 [A certified copy of said certificate of registration may be
35 obtained from the Secretary of State upon the payment of a fee
36 of \$25.00.]

37 Any certificate of registration issued by the Secretary of State
38 under the provisions [hereof] of this act or a copy [thereof] of a
39 certificate of registration duly certified by the Secretary of
40 State shall be admissible in evidence as competent and sufficient
41 proof of the registration of [such] the mark in any action or
42 judicial proceedings in any court of this State.

43 (cf: P.L.1987, c.435, s.23)

44 5. Section 5 of P.L.1966, c.263 (C.56:3-13.5) is amended to
45 read as follows:

46 5. Duration and renewal.

47 Registration of a mark [hereunder] with the Secretary of State
48 shall be effective for a term of [10] five years from the date of
49 registration and, upon application filed within six months prior to
50 the expiration of [such] the term, [on a form to be furnished by]
51 in a manner complying with the requirements of the Secretary of
52 State, [which includes a statement that the mark is still in use in
53 this State,] the registration may be renewed for a like term from
54 the end of the expiring term. A renewal fee [of \$50.00,] in an

1 amount established by and payable to the Secretary of State,
2 shall accompany the application for renewal of the registration.

3 A mark registration may be renewed for successive periods of
4 [10] five years in like manner.

5 [The Secretary of State shall notify registrants of marks
6 hereunder of the necessity of renewal within the year next
7 preceding the expiration of the 10 years from the date of
8 registration, by writing to the last known address of the
9 registrants.]

10 Any registration in force on the effective date [on which this
11 act shall become effective] of P.L. , c. (C.)(pending
12 before the Legislature as this bill) shall [expire 10 years from the
13 date of the registration or of the last renewal thereof or one year
14 after the effective date of this act, whichever is later] continue
15 in full force and effect for the unexpired term of the
16 registration, and may be renewed by filing an application for
17 renewal with the Secretary of State [on a form furnished by him]
18 complying with the requirements of the Secretary of State and
19 paying the [aforementioned] renewal fee [therefor] established by
20 the Secretary of State within six months prior to the expiration
21 of the registration.

22 [The Secretary of State shall within six months after the
23 effective date of this act notify all registrants of marks under
24 previous acts of the date of expiration of such registrations
25 unless renewed in accordance with the provisions of this act, by
26 writing to the last known address of the registrants.]

27 All applications for renewal shall include a verified statement
28 that the mark has been and is still in use and shall include a
29 specimen showing actual use of the mark on or in connection with
30 the goods or services.

31 (cf: P.L.1987. c.435, s.24)

32 6. Section 6 of P.L.1966, c.263 (C.56:3-13.6) is amended to
33 read as follows:

34 6. Assignment, other instruments.

35 a. Any mark and its registration [hereunder] or application for
36 registration shall be assignable with the good will of the business
37 in which the mark is used, or with that part of the good will of
38 the business connected with the use of and symbolized by the
39 mark. Assignment shall be by instruments in writing duly
40 executed and [may] shall be recorded with the Secretary of State
41 upon the payment of [a] the recording fee [of \$25.00.] payable to
42 the Secretary of State [who, upon recording of the assignment,
43 shall issue in the name of the assignee a new certificate for the
44 remainder of the term of the registration or of the last renewal
45 thereof]. An assignment of any registration under this act shall
46 be void as against any subsequent purchaser for valuable
47 consideration without notice, unless it is [recorded] filed for
48 recording with the Secretary of State within [three months] 20
49 days after the date [thereof] of the assignment or prior to [such]
50 the subsequent purchase or transfer.

51 b. Other instruments which relate to a mark registered or
52 application pending pursuant to this act, including, but not
53 limited to, a change of owner¹ name ¹[and licenses]¹, shall be
54 recorded by the Secretary of State upon the payment of the

1 recording fee established by and payable to the Secretary of
2 State, provided that the instrument is in writing and executed by
3 the applicant or registrant. Instruments recordable under the
4 provisions of the Uniform Commercial Code, such as security
5 interests and mortgages, and their recordation, shall continue to
6 be governed by and recorded under the provisions of the Uniform
7 Commercial Code.

8 c. Acknowledgement by the assignee or transferee shall be
9 prima facie evidence of the execution of an assignment or other
10 instrument and, when recorded by the Secretary of State, the
11 record shall be prima facie evidence of execution.

12 d. A photocopy of any instrument referred to in subsections a.
13 and b. of this section shall be accepted for recording if it is
14 certified by any of the parties to the instrument, or their
15 successors, to be a true and correct copy of the original.

16 (cf: P.L.1987, c.435, s.25)

17 7. Section 7 of P.L.1966, c.263 (C.56:3-13.7) is amended to
18 read as follows:

19 7. Records.

20 The Secretary of State shall keep for public examination a
21 record of all marks registered or renewed under this act and
22 applications for registration of a mark, and all documents
23 recorded pursuant to section 6 of P.L.1966, c.263 (C.56:3-13.6).
24 The Secretary of State shall provide copies of these records to
25 the public upon payment of a fee established by and payable to
26 the Secretary of State.

27 (cf: P.L.1966, c. 263, s.7)

28 8. Section 8 of P.L.1966, c.263 (C.56:3-13.8) is amended to
29 read as follows:

30 8. Cancellation.

31 The Secretary of State shall cancel from the register ¹[in
32 whole or in part]¹:

33 (a) after [1] one year from the effective date of this act, all
34 registrations under prior acts which are more than 10 years old
35 and not renewed in accordance with this act;

36 (b) any registration concerning which the Secretary of State
37 shall receive a voluntary request for cancellation thereof from
38 the registrant or the assignee of record;

39 (c) all registrations granted under this act and not renewed in
40 accordance with the provisions [hereof] of this act;

41 (d) any registration concerning which [the Superior Court] a
42 federal court of competent jurisdiction or a court of competent
43 jurisdiction in this State shall find;

44 (1) that the registered mark has been abandoned[,];

45 (2) that the registrant is not the owner of the mark[,];

46 (3) that the registration was granted [improperly,] contrary to
47 the provisions of section 2 of P.L.1966, c.263 (C.56:3-13.2);

48 (4) that the registration was obtained fraudulently[,];

49 (5) that the registered mark is so similar, as to be likely to
50 cause confusion or mistake or to deceive, to a mark registered by
51 another person in the United States Patent and Trademark
52 Office, prior to the date of the filing of the application for
53 registration by the registrant [hereunder] under this act, and not
54 abandoned; provided, however, that should the registrant prove

1 that he is the owner of a concurrent registration of his mark in
2 the United States Patent and Trademark Office covering an area
3 including this State, the registration [hereunder] under this act
4 shall not be canceled;

5 (6) that the mark is or has become the generic name for the
6 goods or services, or a portion thereof, for which it has been
7 registered.

8 (e) when [the Superior Court] a federal court of competent
9 jurisdiction or a court of competent jurisdiction in this State shall
10 order cancellation of a registration on any ground.

11 (cf: P.L.1966, c.263, s.8)

12 9. Section 10 of P.L.1966, c.263 (C.56:3-13.10) is amended to
13 read as follows:

14 10. Fraudulent registration.

15 Any person who shall for himself or herself, or on behalf of any
16 other person, procure the filing or registration of any mark in the
17 office of the Secretary of State under the provisions [hereof] of
18 this act, by knowingly making any false or fraudulent
19 representation or declaration, [verbally] orally or in writing, or by
20 any other fraudulent means, shall be liable to pay all damages
21 sustained in consequence of [such] the filing or registration, to be
22 recovered by or on behalf of the [party] injured [thereby] party in
23 [an action instituted in the Superior Court] any court of
24 competent jurisdiction.

25 (cf: P.L.1966, c.263, s.10)

26 10. Section 2 of P.L.1987, c.454 (C.56:3-13.16) is amended to
27 read as follows:

28 2. a. [An owner or the designee of an owner of a mark
29 registered pursuant to P.L. 1966, c. 263 (C. 56:3-13.1 et seq.) or
30 registered on the principal register in the United States Patent
31 and Trademark Office may bring a civil action against a person
32 causing him injury to his business or property as a result of
33 knowing trafficking or attempt to traffic in counterfeit marks or
34 goods identified by counterfeit marks in the commerce of this
35 State with the intent to deceive or defraud, or to assist in
36 deceiving or defrauding, directly or indirectly, another person.

37 In determining the existence of defendant's intent to deceive
38 or defraud, the trier of fact shall consider, among other pertinent
39 factors, the likelihood that the goods or services on or in
40 connection with which the counterfeit mark is used or intended to
41 be used will be mistaken for goods or services for which the
42 genuine mark is registered and is in use.] Subject to the
43 provisions of section 13 of P.L.1966, c.263 (C.56:3-13.13), and
44 with respect to a mark registered pursuant to this act and a mark
45 protected at common law, any person who engages in the conduct
46 specified in paragraphs (1) and (2) of this subsection shall be
47 liable in a civil action by the owner or the designee of the owner
48 of the mark for any or all of the remedies provided in subsections
49 d., e. and f. of this section, except that under paragraph (2) of
50 this subsection, the owner or designee shall not be entitled to
51 recover profits or damages unless the conduct has been
52 committed with the intent to cause confusion or mistake or to
53 deceive.

54 (1) The use, without consent of the owner or designee, of any

1 reproduction, counterfeit, copy, or colorable imitation of a mark
2 in connection with the sale, distribution, offering for sale, or
3 advertising in this State of any goods or services on or in
4 connection with which the use is likely to cause confusion or
5 mistake or to deceive as to the source of origin of the goods or
6 services; or

7 (2) The reproduction, counterfeiting, copying or colorable
8 imitation of a mark and the application of a reproduction,
9 counterfeit, copy or colorable imitation of a mark to labels,
10 signs, prints, packages, wrappers, receptacles, or advertisements
11 intended to be used upon or in connection with the sale or other
12 distribution in this State of the goods or services.

13 b. The action shall be brought in the Superior Court of the
14 county in which the defendant resides, is found, has an agent,
15 transacts business, or in which the reproduction, counterfeit,
16 copy or imitation of the mark is found.

17 c. The plaintiff in the civil action shall establish violation of
18 subsection a. of this section by a preponderance of the evidence.
19 A jury trial shall be available at the request of either party.

20 d. [Upon establishing a violation of this section, a plaintiff
21 shall recover treble his damages or treble defendant's profits,
22 whichever is greater, and the costs of investigating the violation
23 and prosecuting the suit, including reasonable investigator's and
24 attorney's fees.] In an action brought pursuant to subsection a.
25 of this section, the court may grant temporary restraining orders
26 and injunctions, as may be deemed just and reasonable by the
27 court, to prevent any conduct described in paragraphs (1) and (2)
28 of subsection a. of this section, and may require the defendants
29 to pay to the plaintiff all profits derived from or all damages
30 suffered by reason of such conduct, or both. The court may also
31 order that any reproduction, counterfeit, copy or imitation in the
32 possession or under the control of any defendant in the case be
33 disposed of or destroyed in accordance with the provisions of
34 section 3 of P.L.1987, c.454 (C.56:3-13.17). The court, in its
35 discretion, may enter judgment for an amount not to exceed
36 three times the profits or damages and may also award
37 reasonable attorneys' fees and costs of suit to the prevailing
38 party in cases where the court finds the other party committed
39 the wrongful acts with knowledge or in bad faith or if the court
40 finds the other party's conduct so egregious as to justify such an
41 award. In assessing defendant's profits, plaintiff shall be
42 required to prove defendant's sales only; defendant must prove
43 all elements of cost or deduction claimed therefrom.

44 e. Upon finding a violation of subsection a. of this section, the
45 court may, in its discretion, award prejudgment interest on the
46 monetary recovery awarded under subsection d. of this section, at
47 an annual interest rate established pursuant to Rule 4:42-11 of
48 the Rules Governing the Courts of the State of New Jersey,
49 commencing on the date of the service of the plaintiff's
50 pleadings which set forth the claim for monetary recovery and
51 ending on the date the judgment is awarded or for a shorter time
52 as the court deems appropriate.

53 f. Any provisional or equitable remedy that would be available
54 in a comparable civil action commenced under the [act entitled

1 "An act to provide for the registration and protection of
2 trademarks used in commerce, to carry out the provisions of
3 certain international conventions, and for other purposes,"
4 approved July 5, 1946 (60 Stat. 427; 15 U.S.C. 1051 et seq.)]
5 federal Trademark Act of 1946, 15 U.S.C. §1051 et seq. may, to
6 the same extent and upon a comparable showing, be made
7 available to a party in an action commenced under this section,
8 subject to the conditions and requirements imposed by the Civil
9 Practice Rules of the Rules Governing the Courts of the State of
10 New Jersey.

11 g. [If after a trial on the merits the defendant prevails and has
12 proven by a preponderance of the evidence that the action was
13 filed in bad faith, the defendant shall be entitled to recover the
14 cost of litigation and all reasonable attorney's fees expended in
15 the defense.] (Deleted by amendment, P.L. , c. .)

16 h. In any civil proceeding brought under this section relating to
17 the manufacture, use, display or sale of a counterfeit mark, in
18 addition to the remedies available to a owner as provided in
19 subsections d., e. and f. of this section, the court shall have
20 jurisdiction to prevent and restrain [trafficking in counterfeit
21 marks] the manufacture, use, display or sale of a counterfeit
22 mark by issuing appropriate orders, including, in appropriate
23 circumstances, [a temporary restraining order on notice to the
24 defendant, or] an ex parte temporary restraining order without a
25 seizure, or an ex parte order without notice for the seizure of
26 counterfeit goods and the following materials:

27 (1) Spurious marks;

28 (2) The means of making the spurious marks;

29 (3) Articles in the defendant's possession bearing the spurious
30 marks, or on or in connection with which the spurious marks are
31 intended to be used;

32 (4) Business records documenting the manufacture, purchase or
33 sale of counterfeit marks.

34 Any business records seized through an ex parte seizure order
35 under this [section] subsection shall be taken into the custody of
36 the court. The applicant or its representatives shall not be
37 permitted to see these records during the course of the search or
38 thereafter, except under an appropriate protective order, issued
39 on notice to the person from whom the business records were
40 seized, with respect to confidential business information.

41 i. Ex parte seizure orders under subsection h. of this section
42 shall not be issued unless the applicant:

43 (1) Provides an affidavit clearly setting forth specific facts in
44 support of the need for the seizure order, and

45 (2) Provides security in an amount as the court deems
46 adequate for the payment of damages as any person may suffer as
47 a result of a wrongful seizure or wrongful attempted seizure of
48 his property under [this] subsection h. of this section. These
49 damages shall include but not be limited to lost profits, the cost
50 of materials, and loss of good will. In any case in which it is
51 shown that the applicant caused the seizure without adequate
52 evidence that the goods or materials were counterfeit, damages
53 shall include reasonable attorney's fees.

54 (3) The court shall place under seal any order for an ex parte

1 seizure under subsection h. of this section, together with the
2 papers upon which the order was granted, until the party in
3 possession of the goods or materials has been given an
4 opportunity to contest the order.

5 j. No order for an ex parte seizure under subsection h. of this
6 section shall be issued unless the court finds that a temporary
7 restraining order on notice to the defendant or an ex parte
8 temporary restraining order would be inadequate to protect the
9 applicant's interest. In particular, no court shall issue an order
10 for an ex parte seizure under subsection h. of this section unless
11 it clearly appears from specific facts offered under oath or
12 affirmation that:

13 (1) Counterfeit goods or the materials described above are
14 located at the place identified in the affidavit;

15 (2) The applicant will suffer immediate and irreparable injury,
16 loss or damage if the goods or materials are not seized through
17 execution of an ex parte order, in that:

18 (a) The person from whom the goods or materials are to be
19 seized would not comply with an order directing him to retain the
20 goods or materials and to make them available to the court, but
21 would instead make the goods or materials inaccessible by
22 destroying, hiding or transferring them; or

23 (b) The person from whom the goods or materials are to be
24 seized will otherwise act to frustrate the court in a proceeding
25 under this section; and

26 (3) The applicant has made no effort to publicize the requested
27 seizure and will refrain from doing so until the party in possession
28 of the goods and materials has been given an opportunity to
29 contest the order.

30 k. An order for a seizure under subsection h. of this section
31 shall particularly describe the goods or materials to be seized,
32 the place from which they are to be seized, and the amount of
33 security provided by the applicant.

34 l. The court shall set a hearing date not more than 10 court
35 days after the last date on which seizure is ordered at which any
36 person from whom goods are seized may appear and seek release
37 of the seized goods.

38 m. Where an order for seizure is made, the court shall direct
39 the sheriff of the county in which the property is located to make
40 the seizure or, where the property to be seized is located in more
41 than one county, the direction shall issue to the sheriff of each of
42 those counties. The sheriff shall make the seizure within 72
43 hours of the order.

44 (cf: P.L.1987, c.454, s.2)

45 11. (New section) a. Upon the filing of an application for
46 registration and payment of the application fee, the secretary
47 may cause the application to be examined for conformity with
48 the requirements of this act.

49 b. The applicant shall provide any additional pertinent
50 information requested by the secretary, including a description of
51 a design mark, and may make, or authorize the secretary to
52 make, any amendments to the application that may be reasonably
53 requested by the secretary or deemed by the applicant to be
54 advisable to respond to any rejection or objection.

1 c. The secretary may require the applicant to disclaim an
2 unregistrable component of a mark otherwise registrable, and an
3 applicant may voluntarily disclaim a component of a mark sought
4 to be registered. The disclaimer shall not prejudice or affect the
5 applicant's or registrant's rights then existing or thereafter
6 arising in the disclaimed matter, or the applicant's or
7 registrant's rights of registration on another application if the
8 disclaimed matter is or becomes distinctive of the applicant's or
9 registrant's goods or services.

10 d. Amendments may be made by the secretary to the
11 application submitted by the applicant upon the applicant's
12 agreement; or the secretary may require submission of a fresh
13 application.

14 e. If the applicant is found not to be entitled to registration,
15 the secretary shall notify the applicant and shall advise the
16 applicant of the reasons for the denial of registration. The
17 applicant shall have a reasonable period of time specified by the
18 secretary in which to reply or to amend the application, in which
19 event the application shall then be reexamined. This procedure
20 may be repeated until:

21 (1) the secretary finally refuses registration of the mark; or
22 (2) the applicant fails to reply or amend within the specified
23 period, in which case the application shall be deemed to have
24 been abandoned.

25 f. If the secretary finally refuses registration of the mark, the
26 applicant may seek a review in accordance with the procedures
27 set forth in section 14 of P.L. , c. (C.)(pending before the
28 Legislature as this bill).

29 g. In the instance of applications concurrently being processed
30 by the secretary seeking registration of the same or confusingly
31 similar marks for the same or related goods or services, the
32 secretary shall grant priority to the applications in order of
33 filing. If a prior-filed application is granted a registration, any
34 other application for the same or confusingly similar marks shall
35 be rejected. A rejected applicant may bring an action for
36 cancellation of the registration of the same or confusingly similar
37 mark upon grounds of prior or superior rights to the mark, in
38 accordance with the provisions of subsection b. of section 14 of
39 P.L. , c. (C.)(pending before the Legislature as this bill).

40 12. (New section) The secretary shall by regulation establish a
41 classification of goods and services for convenience of
42 administration of this act, but which shall not limit or extend the
43 applicant's or registrant's rights, and a single application for
44 registration of a mark may include any or all goods or services on
45 or in connection with which the mark is actually being used,
46 indicating the appropriate class or classes of goods or services.
47 When a single application includes goods or services which fall
48 within multiple classes, the secretary shall require payment of a
49 fee for each class. The classification of goods and services shall
50 conform to the classification adopted by the United States Patent
51 and Trademark Office pursuant to 15 U.S.C. §1112.

52 13. (New section) The owner of a mark which is famous in this
53 State shall be entitled, subject to the principles of equity, to an
54 injunction, commencing after the owner's mark becomes famous,

1 against another person's use of the mark which causes dilution of
2 the distinctive quality of the owner's mark, and to obtain other
3 relief provided in this section. In determining whether a mark is
4 famous, a court may consider factors such as, but not limited to:

5 a. The degree of inherent or acquired distinctiveness of the
6 mark in this State;

7 b. The duration and extent of use of the mark in connection
8 with the goods and services;

9 c. The duration and extent of advertising and publicity of the
10 mark in this State;

11 d. The geographical extent of the trading area in which the
12 mark is used;

13 e. The channels of trade for the goods or services with which
14 the registrant's mark is used;

15 f. The degree of recognition of the registrant's mark in its and
16 in the other's trading areas and channels of trade in this State;
17 and

18 g. The nature and extent of use of the same or similar mark by
19 third parties.

20 The owner of a famous mark shall be entitled only to injunctive
21 relief in this State in an action brought under this section, unless
22 the subsequent user willfully intended to trade on the owner's
23 reputation or to cause dilution of the owner's mark. If willful
24 intent is proven, the owner shall also be entitled to any other
25 remedies set forth in this act, subject to the discretion of the
26 court and the principles of equity.

27 14. (New section) a. An applicant or registrant shall have the
28 right of appeal solely on the record to an administrative law
29 judge designated by the Office of Administrative Law or to the
30 Superior Court in Mercer County as follows:

31 (1) The grounds shall include:

32 (a) any decision by the Secretary of State refusing registration
33 or renewal of an existing registration, or;

34 (b) the failure of the Secretary of State to ¹[follow any
35 procedures for updating] update¹ the register of marks ¹in the
36 manner provided by section 8 of P.L.1966, c.263 (C.56:3-13.8)¹.

37 (2) An appeal shall not be taken until a formal request for
38 reconsideration of the action at issue has been filed and denied by
39 the Office of the Secretary of State.

40 (3) A notice of intent to appeal shall be filed with the
41 Secretary of State at least 10 days prior to the taking of any
42 appeal.

43 (4) An appeal may be taken by filing a complaint with the
44 designated administrative law judge or with the Superior Court in
45 Mercer County requesting equitable relief for the grounds on
46 which the appeal is made. No money damages or costs shall be
47 awarded if the requested relief is granted.

48 (5) A copy of the complaint shall be served on the Secretary of
49 State, and the Secretary of State shall have the right to elect to
50 intervene and defend, oppose or otherwise participate in the
51 appeal.

52 (6) The Secretary of State shall promulgate the fees and
53 charges for the appeal, which fees and charges shall be the same
54 as that for other appeals, to an administrative law judge or to the

1 New Jersey Superior Court.

2 b. Where grounds exist for cancellation as provided in section
3 8 of P.L.1966, c.263 (C.56:3-13.8), and the Secretary of State has
4 not cancelled the mark, a third party with standing may, by
5 petition to the Secretary of State, move to have the registration
6 declared void and removed from the register of marks of record
7 by acting as follows:

8 (1) A petition to cancel shall be filed with the Secretary of
9 State, which shall state the facts in support of the petition, and
10 shall be accompanied by a fee established by the Secretary of
11 State.

12 (2) A copy of the petition shall be served on the registrant or
13 the owner of the mark by certified mail, return receipt
14 requested, and notice of the service shall be filed with the
15 Secretary of State.

16 (3) The registrant or owner shall have 20 days from receipt of
17 the petition within which to respond to the petition, providing
18 evidence in support of the objection to the cancellation. The
19 Secretary of State may provide an extension of time for the
20 response.

21 (4) In the event that the registrant or owner files no objection
22 to the cancellation, or in the event that grounds for cancellation
23 are clear on the record, the Secretary of State shall order
24 cancellation. In the event that the Secretary of State denies
25 cancellation, the petitioner shall have a right of appeal to the
26 designated administrative law judge or to the Superior Court in
27 Mercer County in accordance with the procedures set forth in
28 paragraphs (4), (5) and (6) of subsection a. of this section.

29 (5) Upon service of a copy of the complaint on the Secretary
30 of State, the Secretary of State shall have the right to elect to
31 intervene and defend, oppose or otherwise participate in the
32 appeal.

33 c. In any action brought against a nonresident registrant under
34 this section, service may be effected in accordance with the
35 procedures established for service upon nonresident corporations
36 and business entities as provided in rule 4:4-4(c) of the Rules
37 Governing the Courts of the State of New Jersey, or any
38 amendment to that rule.

39 15. (New section) The Secretary of State shall promulgate
40 regulations pursuant to the provisions of the "Administrative
41 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to
42 effectuate the provisions of this act. The regulations
43 promulgated by the secretary shall include the fees payable for
44 the various applications and recording fees and for related
45 services. Unless specified by the secretary, the fees shall not be
46 refundable.

47 16. (New section) This 1994 amendatory and supplementary
48 act is intended to provide a system of State trademark
49 registration and protection substantially consistent with the
50 federal system of trademark registration and protection under
51 the federal Trademark Act of 1946, 15 U.S.C. §1051 et seq. The
52 interpretation and construction of the federal Trademark Act of
53 1946 shall be examined as persuasive authority for the
54 interpretation and construction of this 1994 amendatory and

1 supplementary act.

2 17. Sections 1 and 9 of P.L.1966, c.263 (C.56:3-13.1 and
3 56:3-13.9) are repealed.

4 18. This act shall take effect six months after its enactment,
5 but its provisions shall not apply to lawsuits and applications for
6 the registration of a trademark pending on the effective date.

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11 _____
12 Conforms State's trademark law and application procedures with
federal law.

1 56:3-13.9) are repealed.

2 18. This act shall take effect six months after its enactment,
3 but its provisions shall not apply to lawsuits and applications for
4 the registration of a trademark pending on the effective date.

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STATEMENT

8

9 This bill modifies the State trademark law to harmonize State
10 trademark registration practices with the federal trademark
11 system, and to improve State trademark examining procedures.

12 The bill expands the definition of "trademark" to include the
13 use of a trademark to identify unique products, to identify and
14 distinguish goods from those manufactured by others, and to
15 indicate the source of the goods, even if that source is unknown.

16 The bill expands the definition of "service mark" to include any
17 word, name, symbol, or device or any combination thereof used
18 by a person to identify and distinguish the services of one person,
19 including a unique service, from the services of others, and to
20 indicate the source of the services, even if the source is
21 unknown. The bill provides that the titles and character names
22 used by a person, and other distinctive features of radio or
23 television programs may be registered as service marks
24 notwithstanding that they, or the programs, may advertise the
25 goods of the sponsor.

26 The bill defines "use" of a mark as the bonafide use of a mark
27 in the ordinary course of trade, and not merely to reserve a right
28 in a mark. The bill provides standards for determining when a
29 mark is deemed to be in use.

30 The bill adds a new definition of "trade name" to the law.
31 Trade name means any name used by a person to identify a
32 business or vocation of the person.

33 The bill provides a definition for when a mark is abandoned and
34 provides procedures and standards for the cancellation of a
35 registration of a mark, including the cancellation of the
36 registration of a mark which has become generic.

37 The bill sets new standards and procedures for registration, and
38 for application for registration of trademarks with the Secretary
39 of State, including the establishment of a fee schedule for
40 registrations and renewals by the Secretary of State. Procedures
41 and standards for the examination of applications for registration
42 of trademarks are set forth in the bill, including procedures for
43 amending an application, and procedures for the rejection of
44 applications.

45 The bill changes the period for registration of a mark, and the
46 period of renewal of a registration, from ten years to five years.

47 In addition, the bill: (1) requires the Secretary of State to
48 establish a classification of goods and services; (2) provides new
49 standards of liability in lawsuits brought by an owner or a
50 designee of the owner of a mark; (3) provides standards for
51 injunctions and other relief to prevent the dilution of a famous
52 mark; and (4) sets procedures and grounds for the appeal by
53 applicants or registrants from actions taken by the Secretary of
54 State.

ASSEMBLY COMMERCE AND REGULATED
PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2424

STATE OF NEW JERSEY

DATED: JANUARY 26, 1995

The Assembly Commerce and Regulated Professions Committee reports favorably Assembly Bill No. 2424.

This bill modifies the State trademark law to harmonize State trademark registration practices with the federal trademark system, and to improve State trademark examining procedures.

The bill expands the definition of "trademark" to include the use of a trademark to identify unique products, to identify and distinguish goods from those manufactured by others, and to indicate the source of the goods, even if that source is unknown.

The bill expands the definition of "service mark" to include any word, name, symbol, or device or any combination thereof used by a person to identify and distinguish the services of one person, including a unique service, from the services of others, and to indicate the source of the services, even if the source is unknown. The bill provides that the titles and character names used by a person, and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.

The bill defines "use" of a mark as the bonafide use of a mark in the ordinary course of trade, and not merely to reserve a right in a mark. The bill provides standards for determining when a mark is deemed to be in use.

The bill adds a new definition of "trade name" to the law. Trade name means any name used by a person to identify a business or vocation of the person.

The bill provides a definition for when a mark is abandoned and provides procedures and standards for the cancellation of a registration of a mark, including the cancellation of the registration of a mark which has become generic.

The bill sets new standards and procedures for registration, and for application for registration of trademarks with the Secretary of State, including the establishment of a fee schedule for registrations and renewals by the Secretary of State. Procedures and standards for the examination of applications for registration of trademarks are set forth in the bill, including procedures for amending an application, and procedures for the rejection of applications.

The bill changes the period for registration of a mark, and the period of renewal of a registration, from ten years to five years.

In addition, the bill: (1) requires the Secretary of State to establish a classification of goods and services; (2) provides new standards of liability in lawsuits brought by an owner or a designee of the owner of a mark; (3) provides standards for injunctions and other relief to prevent the dilution of a famous mark; and (4) sets procedures and grounds for the appeal by applicants or registrants from actions taken by the Secretary of State.