

SENATE BILL REPORT

SB 6276

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 8, 1994

Brief Description: Regulating trademarks.

SPONSORS: Senators Haugen, Winsley, Nelson and M. Rasmussen; by request of Secretary of State

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 6276 be substituted therefor, and the substitute bill do pass.

Signed by Senators A. Smith, Chairman; Ludwig, Vice Chairman; Hargrove, Nelson, Niemi, Quigley, Roach, Schow and Spanel.

Staff: Jon Carlson (786-7459)

Hearing Dates: February 4, 1994

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6276 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rinehart, Chairman; Quigley, Vice Chairman; Bauer, Cantu, Gaspard, Hochstatter, Ludwig, Moyer, Niemi, Pelz, Roach, Snyder, Spanel, Sutherland, Talmadge, Williams and Wojahn.

Staff: Steve Jones (786-7440)

Hearing Dates: February 8, 1994

BACKGROUND:

A "trademark" means any word, name, symbol or device or any combination thereof which is used by a person to identify goods that he or she makes or sells, and to distinguish them from goods that are made or sold by others.

A person who has adopted and is using a trademark in this state may file an application for registration of the trademark with the Secretary of State. The filing fee for the registration is \$50 payable to the Secretary of State. Registration of a trademark is effective for ten years, and may be renewed for successive terms of ten years. The renewal fee is \$50 payable to the Secretary of State. The assignment of a trademark must be accompanied by a \$50 fee. The fees for registration, renewal, and assignment of trademarks go to the state general fund.

In 1993, the Legislature amended the statute in Chapter 43.07 RCW pertaining to the general collection of fees by the Secretary of State. One of these revisions allowed the Secretary of State to establish by rule and collect the fees for filing and recording trademarks. This is actually the same fee provision as exists for the registration and filing of trademarks in Chapter 19.77. However, the fee provision pertaining to the registration and filing of trademarks in Chapter 19.77 RCW was not similarly revised, so an inconsistency exists between the two statutes.

It is suggested that the statutory discrepancy be addressed. It is also recommended that a person be allowed to reserve the exclusive right to the use of a trademark prior to registration.

Fees for certain services rendered to corporations may be established and recovered by the Secretary of State for deposit in the Secretary of State's revolving fund. Among these are fees for in-person service at the Secretary of State's Office, any expedited service, or the electronic transmittal of documents. The Secretary of State is requesting that these fee provisions: 1) also apply to services rendered with respect to the trademark statute in Chapter 19.77 RCW, and 2) may include special filing fees for trademarks.

There currently exists a problem with respect to foreign businesses who bring legal actions against Washington businesses because the Washington business is using the same trademark or tradename as the foreign business.

SUMMARY:

The Secretary of State must establish by rule fees for the registration, renewal, and assignment of trademarks. Registration of a trademark is effective for six years, and may be renewed for successive terms of six years.

The exclusive right to the use of a trademark may be reserved by 1) a person intending to register a trademark, or 2) a domestic or foreign corporation intending to change its trademark. In order to reserve a trademark, a person must file an application with the Secretary of State. The Secretary of State sets the fees by rule. If the trademark is available for use, the Secretary of State must reserve the trademark for the exclusive use of the applicant for 180 days. The reservation is limited to one filing.

The Secretary of State may establish reasonable fees for certain special services, such as in-person service or expedited service, rendered with respect to trademarks.

The Secretary of State may also establish special filing fees for trademarks.

EFFECT OF PROPOSED SUBSTITUTE:

Foreign businesses are prevented from receiving damages or equitable relief in any legal proceeding on account of the use of a trademark by a Washington business which is also used by the foreign business outside of the United States.

This prohibition does not apply if: (1) the foreign business used a trademark or tradename within the United States prior to the time the Washington business began to use it; or (2) the trademark or tradename was registered by the United States Patent and Trademark Office or reserved by the Secretary of State to the foreign business at the time the Washington business began to use it.

EFFECT OF PROPOSED SECOND SUBSTITUTE:

The authorization for special filing fees is deleted.

Appropriation: none

Revenue: none

Fiscal Note: requested January 29, 1994

TESTIMONY FOR:

Trademark registration is valuable for several small, local companies. For major corporations, a federal registration is more appropriate. The purpose of this bill is to modify the statute to update the registration process.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Ralph Munro, Secretary of State; Linda MacKintosh, Secretary of State's Office; James L. Austin, Jr. WA Retail Assn.; Jan Gee, WA Retail Assn.