

PROTECTION OF TRADE-MARKS USED IN COMMERCE

FEBRUARY 22, 1927.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. VESTAL, from the Committee on Patents, submitted the following

REPORT

[To accompany H. R. 13486]

The Committee on Patents, to which was referred the bill (H. R. 13486) to protect trade-marks used in commerce, to authorize the registration of such trade-marks, and for other purposes, having had the same under consideration, now reports it back to the House with certain amendments, with the recommendation that the amendments be adopted and that the bill as amended do pass.

The amendments adopted by the committee are as follows:

On page 4, line 12, strike out subdivision (a) entirely and insert in lieu thereof the following:

(a) All marks communicated to him by an international bureau organized under the provisions of a treaty or convention to which the United States is a party and in connection with which the fee required by such convention for international registration and the fee for registration provided by the laws of the United States have been paid where the mark so communicated is deemed by the Commissioner of Patents to be such that protection can be granted thereto in accordance with existing law. The communication from the international bureau shall show the name and address of the owner of the mark; the date of application for registration in the State of first registration or deposit, which State must be one of the signatory countries; the number of the registration and the date of expiration in the State of first registration or deposit; a facsimile of the mark; a statement of the goods on which the mark is used in the State of first registration or deposit; the date of the application of recognition of the rights claimed under the convention; and such other data as may be useful concerning the mark. If objection is made to the registration of such mark, notice thereof shall be communicated by the commissioner to the said international bureau.

Registrations effected under the foregoing paragraph shall be subject to renewal and to cancellation in accordance with the provisions of this act.

When protection is refused to any mark communicated by an international bureau as above specified, by reason of a prior registration or pending application for registration, the proprietor of the mark claiming recognition of rights under the treaty or convention shall have the right to seek and obtain the cancel-

lation of the previously registered mark, upon proving, according to the procedure fixed by existing law, such refusal and—

(1) That he had legal protection for his mark in any of the contracting States before the date of use of the mark the registration of which he seeks to cancel; or

(2) That the registrant had no right to the ownership, use, or employment of the registered mark at the date of its deposit; or

(3) That the mark covered by the registration which he seeks to cancel has been abandoned.

The time within which such application for the cancellation of a registration may be made shall be two years from September 30, 1926, if the refusal to register was made prior to that date, and in all other cases it shall be one year from the date of the receipt by the international bureau of the refusal to register.

The term "legal protection" for the mark as used herein shall be interpreted to include ownership of the mark in the United States acquired by adoption and use and with or without subsequent registration.

The foregoing section shall be construed in accordance with the reservations adopted by the Senate of the United States on February 24, 1925, in ratifying the Convention for the Protection of Commercial, Industrial, and Agricultural Trade-Marks and Commercial Names, signed at Santiago, Chile, on April 28, 1923.

The commissioner may record transfers or assignments of trade-marks upon regular notification of such transfers or assignments received from the proper international bureau upon the payment of the statutory recording fee.

On page 5, line 19, strike out the word "therein".

On page 6, line 7, after the word "and" insert the word "of".

On page 6, line 20, strike out the word "of" and insert in lieu thereof the word "under".

On page 7, line 13, after the word "circle" insert the words "thus (R)".

On page 7, line 15, after the word "use" insert the words: "in connection with any unregistered mark".

On page 7, line 22, after the word "import", change the period to a comma and add the words: "or use any such words or abbreviations on any label, or in any catalogue, circular, or advertisement."

On page 7, line 23, strike out the word "therein".

On page 9, after line 8, insert a new subsection (c), as follows:

The commissioner shall not accept for deposit any mark already registered for the same goods.

Deposit of a mark shall not of itself be ground for rejection of an application for registration, but if a deposited mark conflicts with an application for registration, the commissioner shall notify both the applicant and the depositor, and shall determine the rights of the parties.

On page 10, line 19, strike out the comma after the figure "1" and add the word "and", and strike out the words "and 3" after the figure "2".

On page 14, line 6, after the word "Office", add the word "deposits", and in line 7 strike out the words "and of deposit".

On page 16, line 6, strike out the word "is" and insert in lieu thereof the words "shall be".

On page 36, lines 10 and 11, change the word "marks" to "mark" and the figure "6" to "7".

The purpose of this bill is to incorporate the various Federal trade-mark acts into one act, to substitute for the act of March 19, 1920, provisions for carrying into effect the convention signed at Santiago, Chile, on April 28, 1923, and ratified, with certain reservations, by the Senate of the United States on February 24, 1925, to overcome inconsistencies in the various laws, to remove defects developed in the operation of the different laws, and in doing so to apply the common law of trade-marks to interstate commerce.

One change which is vitally necessary is that found in section 3a. The present act of March 19, 1920, was enacted to effectuate the international treaty or convention signed at Buenos Aires on August 20, 1910. The new treaty was signed at Santiago, Chile, on April 28, 1923, and its terms, subject to the reservations made by the United States Senate, are put into effect by this section. The importance of this enactment is shown by reason of the fact that upon the ratification of the Santiago convention by the required number of States, the Buenos Aires convention ceased to exist. Therefore, unless legislation is enacted immediately the registration of trade-marks through the international bureau can no longer be effected in behalf of citizens of the United States, nor can the United States Patent Office register marks coming from the various South American States.

Section 3b is a substitute for the remainder of the act of March 19, 1920, aforesaid, and to which considerable objection has been found in practice. The act hereby repealed permits one to register a mark without being subject to opposition proceedings and its purpose was to permit one to register a mark quickly and easily in order to obtain registration in foreign countries. But the prior act is defective in that (1) it fixes no term, (2) it enables the mark to be used to stop importation, and (3) the decision of the Commissioner of Patents is final and no appeal can be taken therefrom to the courts. New section 3b is intended to provide speedy registration of marks to be used upon merchandise exported from the United States, and this is important since it is necessary to register in this country before registering in many of the foreign countries in order to prevent piracy in those countries. Although this section does not permit opposition proceedings, it does provide for the cancellation of any marks which are improperly registered and the section also fixes a term of 20 years for these registrations and at the same time does not permit them to be used to prevent importation. Moreover, the bill provides, in section 32, that registrations already issued under the old act of 1920 shall expire in 20 years, subject to renewal, and that registrations thereunder which have already been used shall not stop importations. An appeal to the Court of Appeals of the District of Columbia is also permitted, so that the decisions of the Commissioner of Patents may be reviewed, as they can under all other trade-mark acts.

Section 5 authorizes the deposit in the Patent Office of marks in use so as to give the Patent Office as complete a file of existing trade-marks as it is possible to obtain, so that they may be used for search purposes. The Patent Office at present does not have accessible for official search purposes, or for search by the public, all marks used in commerce, but only those which have been registered, and it is hoped that in the course of time this section will enable the Patent Office to have a large assemblage of marks to which manufacturers may refer in order to determine whether some mark which they may wish to adopt can be safely used. The bill is so worded that the depositor receives no protection except that his mark is placed on record so that the same mark will not be registered to some one else. The Commissioner of Patents believes that this deposit system will be of vital importance to manufacturers and will make it possible for them,

in a much larger measure than heretofore, to avoid trespassing on the rights of other manufacturers.

Section 12 permits plural registrations but is limited in such a way as to make it possible only by the voluntary act of the parties. This will be found exceedingly useful in case of protection of trade-marks in foreign countries, since under existing law where the applicant is required to make affidavit that no one except himself has any right to use the mark in the United States, registration can not be obtained in this country by more than one user and therefore foreign protection is denied. This bill permits plural registrations—that is, registrations to more than one user—but only upon the consent of the original user.

The bill also provides for registration of marks which have acquired what is known as a “secondary” meaning, and it provides that substantially exclusive use for five years shall be considered evidence, *prima facie*, of such “secondary” meaning. This is set forth in section 2f. This is somewhat comparable to the act of 1905, which provides that anyone who had had 10 years’ exclusive use prior to the passage of the act should be permitted registration.

The bill also attempts to simplify procedure; to remove technical obstructions; to make trade-mark property more secure and to make remedies against infringement more direct and certain; to save time and expensive litigation; to provide a deposit system at practically the cost of administering the same, so as to make it possible for manufacturers to learn what marks are being used by competing manufacturers; to protect the marks of American manufacturers in foreign countries; and, generally speaking, to obtain whatever benefits registration may give to the greatest possible number of manufacturers.

