

By: Hartnett

H.B. No. 3141

A BILL TO BE ENTITLED

AN ACT

relating to the registration and protection of trademarks.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 16, Business & Commerce Code, is amended to read as follows:

CHAPTER 16. TRADEMARKS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 16.001. DEFINITIONS. In this chapter:

(1) "Applicant" means a person applying for registration of a mark under this chapter. The term includes the person's legal representative, successor, and assignee.

(2) "Dilution" means dilution by blurring or dilution by tarnishment, without regard to the presence or absence of:

(A) competition between the owner of a famous mark and another person;

(B) actual or likely confusion, mistake, or deception; or

(C) actual economic harm.

(3) "Dilution by blurring" means an association arising from the similarity between a mark or trade name and a famous mark that impairs the famous mark's distinctiveness.

(4) "Dilution by tarnishment" means an association arising from the similarity between a mark or trade name and a famous mark that harms the famous mark's reputation.

1 (5) "Mark" includes a trademark or service mark that
2 is registrable under this chapter, regardless of whether the
3 trademark or service mark is actually registered.

4 (6) "Person," with respect to the applicant or another
5 person who is entitled to a benefit or privilege or is rendered
6 liable under this chapter, includes:

7 (A) a natural person; and

8 (B) a firm, partnership, corporation,
9 association, union, or other organization that may sue or be sued in
10 that capacity.

11 (7) "Registrant" means the person to whom a
12 registration of a mark has been issued under this chapter. The term
13 includes the person's legal representative, successor, or
14 assignee.

15 (8) "Service mark":

16 (A) means a word, name, symbol, or device, or any
17 combination of those terms, used by a person to:

18 (i) identify and distinguish the services
19 of one person, including a unique service, from the services of
20 another; and

21 (ii) indicate the source of the services,
22 regardless of whether the source is unknown; and

23 (B) includes the titles, character names used by
24 a person, and other distinctive features of radio or television
25 programs, regardless of whether the titles, character names, or
26 programs advertise the sponsor's goods.

27 (9) "Trade name" means a name used by a person to

1 identify the person's business or vocation.

2 (10) "Trademark" means a word, name, symbol, or
3 device, or any combination of those terms, used by a person to:

4 (A) identify and distinguish the person's goods,
5 including a unique product, from the goods manufactured or sold by
6 another; and

7 (B) indicate the source of the goods, regardless
8 of whether the source is unknown.

9 Sec. 16.002. INAPPLICABILITY OF CHAPTER. This chapter does
10 not apply to the registration or use of a livestock brand or other
11 indicia of ownership of goods that do not qualify as a mark.

12 Sec. 16.003. WHEN MARK CONSIDERED TO BE IN USE. (a) A mark
13 is considered to be in use in this state in connection with goods
14 when:

15 (1) the mark is placed in any manner on:

16 (A) the goods;

17 (B) containers of the goods;

18 (C) displays associated with the goods;

19 (D) tags or labels affixed to the goods; or

20 (E) documents associated with the goods or sale

21 of the goods, if the nature of the goods makes placement described
22 by Paragraphs (A) through (D) impracticable; and

23 (2) the goods are sold or transported in commerce in
24 this state.

25 (b) A mark is considered to be in use in this state in
26 connection with services when:

27 (1) the mark is used or displayed in this state in

1 connection with selling or advertising the services; and

2 (2) the services are rendered in this state.

3 (c) A mark made merely to reserve a right in the mark is not
4 considered to be in use in this state in connection with goods or
5 services.

6 Sec. 16.004. WHEN MARK CONSIDERED TO BE ABANDONED. (a) A
7 mark is considered to be abandoned when:

8 (1) the mark's use has been discontinued with intent
9 not to resume the use; or

10 (2) the owner's conduct, including an omission or
11 commission of an act, causes the mark to lose its significance as a
12 mark.

13 (b) Intent not to resume use of a mark under Subsection
14 (a)(1) may be inferred from the circumstances.

15 (c) Nonuse of a mark as described by Subsection (a)(1) for
16 three consecutive years constitutes prima facie evidence of the
17 mark's abandonment.

18 [Sections 16.005-16.050 reserved for expansion]

19 SUBCHAPTER B. REGISTRATION OF MARK

20 Sec. 16.051. REGISTRABLE MARKS. (a) A mark that
21 distinguishes an applicant's goods or services from those of others
22 is registrable unless the mark:

23 (1) consists of or comprises matter that is immoral,
24 deceptive, or scandalous;

25 (2) consists of or comprises matter that may
26 disparage, falsely suggest a connection with, or bring into
27 contempt or disrepute:

- 1 (A) a person, whether living or dead;
2 (B) an institution;
3 (C) a belief; or
4 (D) a national symbol;
5 (3) depicts, comprises, or simulates the flag, the
6 coat of arms, or other insignia of:
7 (A) the United States;
8 (B) a state;
9 (C) a municipality; or
10 (D) a foreign nation;
11 (4) consists of or comprises the name, signature, or
12 portrait of a particular living individual who has not consented in
13 writing to the mark's registration;
14 (5) when used on or in connection with the applicant's
15 goods or services:
16 (A) is merely descriptive or deceptively
17 misdescriptive of the applicant's goods or services; or
18 (B) is primarily geographically descriptive or
19 deceptively misdescriptive of the applicant's goods or services;
20 (6) is primarily merely a surname; or
21 (7) is likely to cause confusion or mistake, or to
22 deceive, because, when used on or in connection with the
23 applicant's goods or services, it resembles:
24 (A) a mark registered in this state; or
25 (B) an unabandoned mark or trade name previously
26 used by another person.
27 (b) Subsection (a)(5) or (6) does not prevent the

1 registration of a mark used by the applicant that has become
2 distinctive as applied to the applicant's goods or services. The
3 secretary of state may accept as evidence that a mark has become
4 distinctive, when used on or in connection with the applicant's
5 goods or services, proof of continuous use of the mark as such by
6 the applicant in this state for the five years preceding the date on
7 which the claim of distinctiveness is made.

8 Sec. 16.052. APPLICATION FOR REGISTRATION. (a) Subject to
9 the limitations prescribed by this chapter, a person who uses a mark
10 may file an application to register the mark in the office of the
11 secretary of state in the manner prescribed by the secretary of
12 state.

13 (b) The application must include:

14 (1) the name and business address of the applicant;

15 (2) if the applicant is a corporation, the state under
16 whose laws the applicant was incorporated or organized;

17 (3) if the applicant is a partnership, the state under
18 whose laws the partnership was organized and the names of the
19 general partners;

20 (4) the names or a description of the goods or services
21 on or in connection with which the mark is being used;

22 (5) the mode or manner in which the mark is being used
23 on or in connection with the goods or services;

24 (6) the class to which the goods or services belong;

25 (7) the date the applicant or applicant's predecessor
26 in interest first used the mark anywhere;

27 (8) the date the applicant or the applicant's

1 predecessor in interest first used the mark in this state; and

2 (9) a statement that:

3 (A) the applicant is the owner of the mark;

4 (B) the mark is in use; and

5 (C) to the knowledge of the person verifying the
6 application, no other person:

7 (i) has registered the mark, either
8 federally or in this state; or

9 (ii) is entitled to use the mark in this
10 state:

11 (a) in the identical form used by the
12 applicant; or

13 (b) in a form that is likely, when
14 used on or in connection with the goods or services of the other
15 person, to cause confusion or mistake, or to deceive, because of its
16 resemblance to the mark.

17 (c) The secretary of state may also require a statement as
18 to whether the applicant or the applicant's predecessor in interest
19 has filed an application to register the mark, or a portion or
20 composite of the mark, with the United States Patent and Trademark
21 Office, and, if so, the applicant shall fully disclose information
22 with respect to that filing, including:

23 (1) the filing date and serial number of each
24 application;

25 (2) the status of the filing; and

26 (3) if any application was finally refused
27 registration or has not otherwise resulted in the issuance of a

1 registration, the reasons for the refusal or nonissuance.

2 (d) The application must be accompanied by:

3 (1) three specimens of the mark as actually used; and

4 (2) an application fee payable to the secretary of
5 state.

6 (e) The application must be signed and verified by the oath
7 or affirmation of:

8 (1) the applicant; or

9 (2) a member of the firm or officer of the corporation
10 or association that is applying for registration of the mark, as
11 applicable.

12 (f) The secretary of state may also require that a drawing
13 of the mark that complies with any requirement specified by the
14 secretary of state accompany the application.

15 Sec. 16.053. FILING OF APPLICATION; EXAMINATION. (a) On
16 the filing of an application for registration and payment of the
17 application fee, the secretary of state shall examine the
18 application for compliance with this chapter.

19 (b) The applicant shall provide to the secretary of state
20 any additional pertinent information requested by the secretary of
21 state, including a description of a design mark.

22 Sec. 16.054. AMENDMENT TO APPLICATION. (a) In response to
23 the secretary of state's rejection of or objection to the
24 registration, the applicant may amend, or authorize the secretary
25 of state to amend, the application on reasonable request of the
26 secretary of state or if the applicant considers it advisable.

27 (b) The secretary of state, on agreement by the applicant,

1 may amend the application submitted by the applicant. The
2 secretary of state may require the applicant to submit a new
3 application instead of amending the application.

4 Sec. 16.055. DISCLAIMER OF UNREGISTRABLE COMPONENT. (a)
5 The secretary of state may require the applicant to disclaim an
6 unregistrable component of a mark that is otherwise registrable.
7 An applicant may voluntarily disclaim a component of a mark sought
8 to be registered.

9 (b) A disclaimer may not prejudice or affect:

10 (1) the rights of the applicant or registrant in the
11 disclaimed matter; or

12 (2) the rights of the applicant or registrant to
13 submit another application to register the mark if the disclaimed
14 matter is or has become distinctive of the applicant's or
15 registrant's goods or services.

16 Sec. 16.056. CONCURRENT APPLICATIONS FOR SAME OR SIMILAR
17 MARK. (a) When concurrently processing applications for the same
18 or confusingly similar marks used on or in connection with the same
19 or related goods or services, the secretary of state shall grant
20 priority to the application that was filed first. If a prior filed
21 application is granted a registration, the secretary of state shall
22 reject any other subsequently filed application.

23 (b) An applicant whose application is rejected under this
24 section may bring an action in accordance with Section 16.105 for
25 cancellation of the previously issued registration on the ground
26 that the applicant has a prior or superior right to the mark.

27 Sec. 16.057. DENIAL OF REGISTRATION; NOTICE. (a) If the

1 secretary of state determines that the applicant is not entitled to
2 register the mark, the secretary of state shall:

3 (1) notify the applicant of the determination and the
4 reason for the denial of the application; and

5 (2) give the applicant reasonable time as prescribed
6 by the secretary of state in which to issue a response to the denial
7 or amend the application, in which event the secretary of state
8 shall reexamine the application.

9 (b) The applicant may repeat the examination procedures
10 described by Subsection (a) until the earlier of:

11 (1) the expiration of the period prescribed by the
12 secretary of state under Subsection (a)(2); or

13 (2) the date on which the secretary of state finally
14 refuses registration of the application.

15 (c) If the applicant fails to respond to the denial or to
16 amend the application within the period prescribed by the secretary
17 of state under Subsection (a)(2), the application is considered to
18 have been abandoned.

19 (d) If the secretary of state finally refuses registration
20 of the mark, the applicant may seek a writ of mandamus against the
21 secretary of state to compel registration in accordance with the
22 procedures prescribed by Section 16.105. The writ of mandamus may
23 be granted, without cost to the secretary of state, on proof that
24 all the statements in the application are true and that the mark is
25 otherwise entitled to registration.

26 Sec. 16.058. CERTIFICATE OF REGISTRATION. (a) If the
27 application complies with the requirements of this chapter, the

1 secretary of state shall cause a certificate of registration to be
2 issued and delivered to the applicant.

3 (b) The certificate of registration must:

4 (1) be signed by the secretary of state;

5 (2) be issued under the secretary of state's official
6 seal;

7 (3) indicate the name and business address of the
8 person claiming ownership of the mark;

9 (4) if the applicant is a corporation, indicate the
10 state under whose laws the applicant was incorporated or organized;

11 (5) if the applicant is a partnership, indicate the
12 state under whose laws the partnership was organized and the names
13 of the general partners;

14 (6) include a description of the goods or services on
15 or in connection with which the mark is being used;

16 (7) state the class of the goods or services;

17 (8) state the date claimed for the first use of the
18 mark anywhere;

19 (9) state the date claimed for the first use of the
20 mark in this state;

21 (10) show a reproduction of the mark;

22 (11) state the registration date; and

23 (12) state the term of the registration.

24 Sec. 16.059. TERM AND RENEWAL OF REGISTRATION. (a) The
25 registration of a mark under this chapter expires on the fifth
26 anniversary of the date of registration.

27 (b) The registration of a mark under this chapter may be

1 renewed for an additional five-year term by filing a renewal
2 application in the manner prescribed by the secretary of state and
3 paying a renewal fee not later than the 180th day before the date
4 the registration expires.

5 (c) An application for renewal under this chapter, whether
6 of a registration made under this chapter, or a registration that
7 took effect under a predecessor statute, must include:

8 (1) a verified statement stating that the mark has
9 been and is still in use in this state; and

10 (2) a specimen of the mark, as actually used on or in
11 connection with the goods or services.

12 (d) A mark for which a registration was in effect on August
13 31, 2011, continues in effect for the unexpired term of the
14 registration and may be renewed by complying with the requirements
15 for renewal under this section.

16 Sec. 16.060. RECORD AND PROOF OF REGISTRATION. (a) The
17 secretary of state shall keep for public examination a record of
18 all:

19 (1) marks registered or renewed under this chapter;

20 (2) assignments recorded under Section 16.061; and

21 (3) other instruments recorded under Section 16.062.

22 (b) A certificate of registration issued by the secretary of
23 state under this chapter, or a copy of the certificate of
24 registration certified by the secretary of state, is admissible in
25 evidence in any court action as prima facie proof of the validity of
26 the registration.

27 Sec. 16.061. ASSIGNMENT OF MARK AND REGISTRATION. (a) A

1 mark and its registration under this chapter are assignable with
2 the goodwill of the business in which the mark is used, or with that
3 part of the goodwill of the business connected with the use of, and
4 symbolized by, the mark.

5 (b) An assignment must be made by a properly executed
6 written instrument and may be recorded with the secretary of state
7 by:

8 (1) filing the assignment; and

9 (2) paying a recording fee to the secretary of state.

10 (c) If an assignment has been properly filed for record
11 under Subsection (b), the secretary of state shall issue in the
12 assignee's name a new certificate of registration for the remainder
13 of the term of the mark's registration or last renewal.

14 (d) The assignment of a mark registered under this chapter
15 is void against a purchaser who purchases the mark for valuable
16 consideration after the assignment is made and without notice of it
17 unless the assignment is recorded by the secretary of state:

18 (1) not later than the 90th day after the date of the
19 assignment; or

20 (2) before the mark is purchased.

21 (e) An acknowledgment is prima facie evidence of the
22 execution of an assignment, and when recorded by the secretary of
23 state, the record is prima facie evidence of execution.

24 Sec. 16.062. RECORDING OF OTHER INSTRUMENTS. (a) A
25 certificate of the registrant or applicant effecting a name change
26 of the person to whom the mark was issued or for whom an application
27 was filed may be recorded with the secretary of state by paying a

1 recording fee to the secretary of state.

2 (b) Other properly executed written instruments that relate
3 to a mark registered or an application pending with the secretary of
4 state under this chapter, including a license, security interest,
5 or mortgage, may be recorded with the secretary of state, at the
6 secretary of state's discretion.

7 (c) An acknowledgment is prima facie evidence of the
8 execution of an instrument other than an assignment under this
9 section, and when recorded by the secretary of state, the record is
10 prima facie evidence of execution.

11 (d) The secretary of state must accept for recording a copy
12 of an original instrument under this section if the copy is
13 certified to be a true copy by any party to the transaction or the
14 party's successor.

15 Sec. 16.063. CHANGE OF REGISTRANT'S NAME. If a registrant's
16 name is changed during the unexpired term of a mark's registration,
17 a new certificate of registration may be issued for the remainder of
18 the unexpired term in the new name of the registrant on the filing
19 of a certificate under Section 16.062.

20 Sec. 16.064. CANCELLATION OF REGISTRATION. (a) The
21 secretary of state shall cancel a registration:

22 (1) in force on August 31, 2011, that has not been
23 renewed under Section 16.059;

24 (2) on receipt of a voluntary request for cancellation
25 from the registrant under this chapter or the registrant's assignee
26 of record;

27 (3) granted under this chapter and not renewed under

1 Section 16.059;

2 (4) with respect to which a court has rendered a
3 judgment finding that:

4 (A) the registered mark has been abandoned;

5 (B) the registrant is not the owner of the mark;

6 (C) the registration was granted improperly;

7 (D) the registration was obtained fraudulently;

8 (E) the registered mark is or has become the
9 generic name for the goods or services, or part of the goods or
10 services, in connection with which the mark was registered;

11 (F) the registered mark is so similar, as to be
12 likely to cause confusion or mistake or to deceive, to a mark that:

13 (i) is registered by another person in the
14 United States Patent and Trademark Office before the date the
15 application for registration was filed under this chapter; and

16 (ii) is not abandoned; or

17 (G) the registration was canceled by order of a
18 court on any ground; or

19 (5) when a court of competent jurisdiction orders
20 cancellation of a registration on any ground.

21 (b) If a registrant's mark is considered for cancellation
22 under Subsection (a)(4)(F) and the registrant proves that the
23 registrant is the owner of a mark concurrently registered as a mark
24 with the United States Patent and Trademark Office to cover a
25 geographical area that includes a part of this state, the secretary
26 of state may not cancel registration of the mark for the
27 geographical area of this state covered by the federal

1 registration.

2 Sec. 16.065. CLASSIFICATION OF GOODS AND SERVICES. (a) The
3 secretary of state by rule shall establish a classification of
4 goods and services for the convenient administration of this
5 chapter. The classifications established under this section may
6 not limit or expand an applicant's or registrant's rights. To the
7 extent practicable, the classification of goods and services must
8 conform to the classification of goods and services adopted by the
9 United States Patent and Trademark Office.

10 (b) An applicant may include in a single application for
11 registration of a mark any or all goods or services in connection
12 with which the mark is actually being used and the appropriate class
13 or classes of the goods or services.

14 (c) If a single application for registration of a mark
15 includes goods or services that belong in multiple classes, the
16 secretary of state may require payment of a fee for each class of
17 goods or services.

18 Sec. 16.066. FEES. (a) The secretary of state by rule
19 shall prescribe the amount of fees payable for the various
20 applications and for the filing and recording of those applications
21 for related services.

22 (b) Unless specified otherwise by the secretary of state, a
23 fee under this chapter is not refundable.

24 [Sections 16.067-16.100 reserved for expansion]

25 SUBCHAPTER C. ENFORCEMENT

26 Sec. 16.101. FRAUDULENT REGISTRATION. A person who
27 procures for the person or another the filing of an application or

1 the registration of a mark under this chapter by knowingly making a
2 false or fraudulent representation or declaration, oral or written,
3 or by any other fraudulent means, is liable to pay all damages
4 sustained as a result of the filing or registration. The damages
5 may be recovered by or on behalf of the injured party in any court of
6 competent jurisdiction.

7 Sec. 16.102. INFRINGEMENT OF REGISTERED MARK. (a) Subject
8 to Section 16.106, a person commits an infringement if the person:

9 (1) without the registrant's consent, uses anywhere in
10 this state a reproduction, counterfeit, copy, or colorable
11 imitation of a mark registered under this chapter in connection
12 with selling, distributing, offering for sale, or advertising goods
13 or services when the use is likely to deceive or cause confusion or
14 mistake as to the source or origin of the goods or services; or

15 (2) reproduces, counterfeits, copies, or colorably
16 imitates a mark registered under this chapter and applies the
17 reproduction, counterfeit, copy, or colorable imitation to a label,
18 sign, print, package, wrapper, receptacle, or advertisement
19 intended to be used in selling or distributing, or in connection
20 with the sale or distribution of, goods or services in this state.

21 (b) A registrant may sue for damages and to enjoin an
22 infringement proscribed by Subsection (a).

23 (c) If the court determines that there has been an
24 infringement, the court shall enjoin the act of infringement and
25 may:

26 (1) subject to Subsection (d), require the violator to
27 pay the registrant all profits derived from or damages resulting

1 from the acts of infringement; and

2 (2) order that the infringing counterfeits or
3 imitations in the possession or under the control of the violator
4 be:

5 (A) delivered to an officer of the court to be
6 destroyed; or

7 (B) delivered to the registrant to be destroyed.

8 (d) If the court finds that the violator acted with actual
9 knowledge of the registrant's mark or in bad faith, the court, in
10 the court's discretion, may:

11 (1) enter judgment in an amount not to exceed three
12 times the amount of profits and damages; and

13 (2) award reasonable attorney's fees to the prevailing
14 party.

15 (e) A registrant is entitled to recover damages under
16 Subsections (a)(2), (c)(1), and (d) only if the violator acted with
17 intent to cause confusion or mistake or to deceive.

18 (f) The enumeration of any right or remedy under this
19 section does not affect the prosecution of conduct under the penal
20 laws of this state.

21 Sec. 16.103. INJURY TO BUSINESS REPUTATION; DILUTION. (a)
22 Subject to the principles of equity, the owner of a mark that is
23 famous and distinctive, inherently or through acquired
24 distinctiveness, in this state is entitled to enjoin another
25 person's commercial use of a mark or trade name that begins after
26 the mark has become famous if use of the mark or trade name is likely
27 to cause the dilution of the famous mark.

1 (b) For purposes of this section, a mark is considered to be
2 famous if the mark is widely recognized by the public throughout
3 this state or in a geographic area in this state as a designation of
4 source of the goods or services of the mark's owner. In determining
5 whether a mark is famous, a court may consider factors including:

6 (1) the duration, extent, and geographic reach of the
7 advertisement and publicity of the mark in this state, regardless
8 of whether the mark is advertised or publicized by the owner or a
9 third party;

10 (2) the amount, volume, and geographic extent of sales
11 of goods or services offered under the mark in this state;

12 (3) the extent of actual recognition of the mark in
13 this state; and

14 (4) whether the mark is registered in this state or in
15 the United States Patent and Trademark Office.

16 (c) In an action brought under this section, the owner of a
17 famous mark is entitled to injunctive relief throughout the
18 geographic area in this state in which the mark is found to have
19 become famous before the use of the other mark. If the court finds
20 that the person against whom the injunctive relief is sought
21 wilfully intended to cause the dilution of the famous mark, the
22 owner shall also be entitled to remedies under this chapter,
23 subject to the court's discretion and principles of equity.

24 (d) A person may not bring an action under this section for:

25 (1) a fair use, including a nominative or descriptive
26 fair use, or facilitation of the fair use, of a famous mark by
27 another person other than as a designation of source for the

1 person's own goods or services, including a fair use in connection
2 with:

3 (A) advertising or promoting that permits
4 consumers to compare goods or services; or

5 (B) identifying and parodying, criticizing, or
6 commenting on the famous mark owner or the famous mark owner's goods
7 or services;

8 (2) a noncommercial use of the mark; or

9 (3) any form of news reporting or commentary.

10 Sec. 16.104. REMEDIES. (a) An owner of a mark registered
11 under this chapter may bring an action to enjoin the manufacture,
12 use, display, or sale of any counterfeits or imitations of a mark.

13 (b) If the court finds that a wrongful act described by
14 Subsection (a) has been committed, the court shall enjoin the
15 wrongful manufacture, use, display, or sale and may:

16 (1) subject to Subsection (c), require the violator to
17 pay to the owner of the mark all profits derived from or damages
18 resulting from the wrongful acts; and

19 (2) order that the wrongful counterfeits or imitations
20 in the possession or under the control of the defendant be:

21 (A) delivered to an officer of the court to be
22 destroyed; or

23 (B) delivered to the complainant to be destroyed.

24 (c) If the court finds that the violator committed the
25 wrongful acts with knowledge of the registrant's mark or in bad
26 faith, or otherwise as according to the circumstances of the case,
27 the court, in the court's discretion, may:

1 (1) enter judgment in an amount not to exceed three
2 times the amount of profits and damages; and

3 (2) award reasonable attorney's fees to the prevailing
4 party.

5 Sec. 16.105. FORUM FOR ACTIONS REGARDING REGISTRATION;
6 SERVICE ON OUT OF STATE REGISTRANTS. (a) An action to require
7 cancellation of a mark registered under this chapter or in mandamus
8 to compel registration of a mark under this chapter shall be brought
9 in a district court of Travis County. In an action to compel
10 registration of a mark, the proceeding must be based solely on the
11 record before the secretary of state.

12 (b) In an action for cancellation, the secretary of state
13 may not be made a party to the proceeding but shall be notified of
14 the filing of the complaint by the clerk of the court in which the
15 action is filed and shall be given the right to intervene in the
16 action.

17 (c) In an action brought against a nonresident registrant,
18 service may be made on the secretary of state as agent for service
19 of process of the registrant in accordance with the procedures
20 established for service on foreign corporations and business
21 entities under the Business Organizations Code.

22 Sec. 16.106. COMMON LAW RIGHTS NOT AFFECTED. Nothing in
23 this chapter adversely affects common law rights or the enforcement
24 of common law rights in marks acquired in good faith at any time
25 under common law.

26 ~~[SUBCHAPTER A. GENERAL PROVISIONS~~

27 ~~[Sec. 16.01. DEFINITIONS. (a) In this chapter, unless the~~

1 ~~context requires a different definition,~~

2 ~~[(1) "applicant" means the person applying for~~
3 ~~registration of a mark under this chapter and includes his legal~~
4 ~~representative, successor, assignee, and predecessor in title to~~
5 ~~the mark sought to be registered;~~

6 ~~[(2) "mark" includes service mark and trademark,~~

7 ~~[(3) "registrant" means the person to whom a~~
8 ~~registration has been issued under this chapter and includes his~~
9 ~~legal representative, successor, assignee, and predecessor in~~
10 ~~title to the registration;~~

11 ~~[(4) "service mark" means a word, name, symbol,~~
12 ~~device, slogan or any combination thereof which, whether registered~~
13 ~~or not, has been adopted and used by a person to identify his~~
14 ~~services and distinguish them from the services of others, and~~
15 ~~includes the titles, designations, character names, and~~
16 ~~distinctive features of broadcast or other advertising;~~

17 ~~[(5) "trademark" means a word, name, symbol, device,~~
18 ~~slogan or any combination thereof which, whether registered or not,~~
19 ~~has been adopted and used by a person to identify his goods and~~
20 ~~distinguish them from the goods manufactured or sold by others; and~~

21 ~~[(6) "trade name" includes individual name, surname,~~
22 ~~firm name, corporate name, and lawfully adopted name or title used~~
23 ~~by a person to identify his business, vocation, or occupation.~~

24 ~~[(b) This chapter does not apply to the registration or use~~
25 ~~of livestock brands or other indicia of ownership of goods which do~~
26 ~~not qualify as a "mark" as defined in this chapter.~~

27 ~~[Sec. 16.02. WHEN MARK CONSIDERED TO BE USED. (a) A mark~~

1 ~~is considered to be used in this state in connection with goods when~~

2 ~~[(1) it is placed on~~

3 ~~[(A) the goods,~~

4 ~~[(B) containers of the goods,~~

5 ~~[(C) displays associated with the goods, or~~

6 ~~[(D) tags or labels affixed to the goods, and~~

7 ~~[(2) the goods are sold, displayed for sale, or~~
8 ~~otherwise publicly distributed in this state.~~

9 ~~[(b) A mark is considered to be used in this state in~~
10 ~~connection with services when~~

11 ~~[(1) it is used or displayed in this state in~~
12 ~~connection with selling or advertising the services, and~~

13 ~~[(2) the services are rendered in this state.~~

14 ~~[SUBCHAPTER B. REGISTRATION OF MARK~~

15 ~~[Sec. 16.08. REGISTRABLE MARKS. (a) A mark in actual use~~
16 ~~in connection with the applicant's goods or services, which~~
17 ~~distinguishes his goods or services from those of others, is~~
18 ~~registrable unless it~~

19 ~~[(1) is, or includes matter which is, immoral,~~
20 ~~deceptive, or scandalous,~~

21 ~~[(2) may disparage, or falsely suggest a connection~~
22 ~~with, or bring into contempt or disrepute~~

23 ~~[(A) a person, whether living or dead,~~

24 ~~[(B) an institution,~~

25 ~~[(C) a belief, or~~

26 ~~[(D) a national symbol,~~

27 ~~[(3) depicts or simulates the flag, coat of arms, or~~

1 ~~other insignia of~~

2 ~~[(A) the United States,~~

3 ~~[(B) a state,~~

4 ~~[(C) a municipality, or~~

5 ~~[(D) a foreign nation,~~

6 ~~[(4) is or includes the name, signature, or portrait~~
7 ~~of a living individual who has not consented in writing to its~~
8 ~~registration;~~

9 ~~[(5) is~~

10 ~~[(A) merely descriptive or deceptively~~
11 ~~misdescriptive of the applicant's goods or services;~~

12 ~~[(B) primarily geographically descriptive or~~
13 ~~deceptively misdescriptive of the applicant's goods or services; or~~

14 ~~[(C) primarily merely a surname; or~~

15 ~~[(6) is likely to cause confusion or mistake, or to~~
16 ~~deceive, because, when applied to the applicant's goods or~~
17 ~~services, it resembles another person's unabandoned mark~~
18 ~~registered in this state.~~

19 ~~[(b) Subsection (a)(5) of this section does not prevent the~~
20 ~~registration of a mark that has become distinctive as applied to the~~
21 ~~applicant's goods or services. The secretary of state may accept as~~
22 ~~evidence that a mark has become distinctive as applied to the~~
23 ~~applicant's goods or services proof of substantially exclusive and~~
24 ~~continuous use of the mark by the applicant in this state for the~~
25 ~~five years next preceding the date on which the applicant filed his~~
26 ~~application for registration.~~

27 ~~[(c) A trade name is not registrable under this chapter.~~

1 ~~However, if a trade name is also a service mark or trademark, as~~
2 ~~defined in this chapter, it is registrable as a service mark or~~
3 ~~trademark.~~

4 ~~[Sec. 16.09. CLASSIFICATION OF GOODS AND SERVICES. (a) The~~
5 ~~secretary of state shall adopt rules establishing a classification~~
6 ~~of goods and services for the convenient administration of this~~
7 ~~chapter. The classifications established do not limit or expand an~~
8 ~~applicant's or registrant's rights. To the extent practicable, the~~
9 ~~classification of goods and services should conform to the~~
10 ~~classification adopted by the United States Patent and Trademark~~
11 ~~Office.~~

12 ~~[(b) An applicant may include in a single application for~~
13 ~~registration of a mark all goods or services in connection with~~
14 ~~which the mark is actually being used and which are in a single~~
15 ~~class. An applicant may not include in a single application for~~
16 ~~registration goods or services which are not in a single class.~~

17 ~~[Sec. 16.10. APPLICATION FOR REGISTRATION. (a) Subject to~~
18 ~~the limitations prescribed by this chapter, a person may file an~~
19 ~~application to register a mark in the office of the secretary of~~
20 ~~state on a form prescribed by the secretary of state.~~

21 ~~[(b) The applicant shall include in the application:~~

22 ~~[(1) the name and business address of the applicant,~~

23 ~~[(2) if the applicant is a corporation, limited~~
24 ~~partnership, limited liability company, or other business entity,~~
25 ~~the state of incorporation or organization,~~

26 ~~[(3) an appointment of the secretary of state as the~~
27 ~~applicant's agent for service of process only in suits relating to~~

1 ~~the registration which may be issued if the applicant:~~
2 ~~[(A) is or becomes a:~~
3 ~~[(i) nonresident individual, partnership,~~
4 ~~or association; or~~
5 ~~[(ii) foreign corporation, limited~~
6 ~~partnership, or limited liability company without a certificate of~~
7 ~~authority to do business in this state; or~~
8 ~~[(B) cannot be found in this state;~~
9 ~~[(4) the names or a description of the goods or~~
10 ~~services in connection with which the mark is being used;~~
11 ~~[(5) the manner in which the mark is being used in~~
12 ~~connection with the goods or services;~~
13 ~~[(6) the class in which the applicant believes the~~
14 ~~goods or services belong;~~
15 ~~[(7) the date on which the applicant first used the~~
16 ~~mark anywhere in connection with the goods or services;~~
17 ~~[(8) the date on which the applicant first used the~~
18 ~~mark in this state in connection with the goods or services;~~
19 ~~[(9) a statement that the applicant is the owner of the~~
20 ~~mark, and that, to the best of the applicant's knowledge, no other~~
21 ~~person is entitled to use the mark in this state.~~
22 ~~[(A) in the identical form used by the applicant,~~
23 ~~or~~
24 ~~[(B) in a form that is likely, when used in~~
25 ~~connection with the goods or services, to cause confusion or~~
26 ~~mistake, or to deceive, because of its resemblance to the mark used~~
27 ~~by the applicant;~~

1 ~~[(10) a narrative description of the mark; and~~

2 ~~[(11) such additional information or documents as the~~
3 ~~secretary of state may reasonably require.~~

4 ~~[(c) The applicant shall:~~

5 ~~[(1) prepare and file the application and a copy of the~~
6 ~~application with the secretary of state; and~~

7 ~~[(2) submit as part of the application to the~~
8 ~~secretary of state:~~

9 ~~[(A) two identical specimens or facsimiles of the~~
10 ~~mark as actually used, one specimen or facsimile with the original~~
11 ~~application and one specimen or facsimile with the copy;~~

12 ~~[(B) a drawing of the mark that complies with any~~
13 ~~requirement specified by the secretary of state; and~~

14 ~~[(C) an application fee of \$50 payable to the~~
15 ~~secretary of state.~~

16 ~~[(d) The applicant or the applicant's agent shall sign the~~
17 ~~application.~~

18 ~~[Sec. 16.105. EXAMINATION OF APPLICATION. (a) On the~~
19 ~~filing of an application for registration and payment of the~~
20 ~~application fee, the secretary of state shall examine the~~
21 ~~application for compliance with this chapter.~~

22 ~~[(b) The applicant shall provide to the secretary of state~~
23 ~~additional pertinent information requested by the secretary of~~
24 ~~state.~~

25 ~~[(c) The secretary of state shall examine applications in~~
26 ~~the order in which the applications are filed, including~~
27 ~~applications concurrently processed for registration of the same or~~

1 ~~confusingly similar marks used in connection with the same or~~
2 ~~similar goods or services.~~

3 ~~[Sec. 16.106. AMENDMENT TO APPLICATION. (a) The applicant~~
4 ~~may make an amendment to the application as reasonably requested by~~
5 ~~the secretary of state or in response to a rejection or objection to~~
6 ~~the registration by the secretary of state.~~

7 ~~[(b) An amendment to the application, other than an~~
8 ~~amendment to the date on which the applicant first uses the mark,~~
9 ~~may be made by the applicant's agent. The secretary of state may~~
10 ~~require the applicant to execute and submit a new application~~
11 ~~instead of making an amendment.~~

12 ~~[(c) An amendment to the application made to the date on~~
13 ~~which the applicant first used the mark may not specify a date of~~
14 ~~use that is after the date on which the application was filed.~~

15 ~~[Sec. 16.107. DISCLAIMER OF UNREGISTRABLE COMPONENT. The~~
16 ~~secretary of state may require the applicant to disclaim or the~~
17 ~~applicant may voluntarily disclaim an unregistrable component of a~~
18 ~~mark that is otherwise registrable. A disclaimer may not prejudice~~
19 ~~or affect the:~~

20 ~~[(1) rights of the applicant or registrant in the~~
21 ~~disclaimed matter; or~~

22 ~~[(2) rights of the applicant or registrant to make an~~
23 ~~application to register a mark if the disclaimed matter is~~
24 ~~distinctive of the goods or services of the applicant or~~
25 ~~registrant.~~

26 ~~[Sec. 16.108. CONCURRENT APPLICATIONS FOR SAME OR SIMILAR~~
27 ~~MARK. (a) When concurrently processing applications for the same~~

1 ~~or confusingly similar marks used in connection with the same or~~
2 ~~similar goods or services, the secretary of state shall give~~
3 ~~priority to the application that was filed first. If the previously~~
4 ~~filed application is registered, the secretary of state shall~~
5 ~~reject the other application.~~

6 ~~[(b) The applicant may bring an action for cancellation of~~
7 ~~the previously issued registration on the ground that the applicant~~
8 ~~has a prior or superior right to the mark under this chapter.~~

9 ~~[Sec. 16.109. DENIAL OF REGISTRATION. (a) If the~~
10 ~~secretary of state finds that the applicant is not entitled to~~
11 ~~register the mark, the secretary of state shall:~~

12 ~~[(1) notify the applicant of the reason for the denial~~
13 ~~of the application; and~~

14 ~~[(2) give the applicant a reasonable amount of time as~~
15 ~~prescribed by the secretary of state in which to:~~

16 ~~[(A) issue a response to the denial; or~~

17 ~~[(B) amend the application.~~

18 ~~[(b) The applicant may repeat the examination procedures~~
19 ~~described by Subsection (a) until the earlier of:~~

20 ~~[(1) the expiration of the period prescribed by the~~
21 ~~secretary of state under Subsection (a)(2); or~~

22 ~~[(2) the date on which the secretary of state finally~~
23 ~~refuses registration of the application.~~

24 ~~[(c) If the secretary of state finally refuses registration~~
25 ~~of the mark, the applicant may seek a review of the decision of the~~
26 ~~secretary of state in accordance with the procedures prescribed by~~
27 ~~this chapter.~~

1 ~~[Sec. 16.11. REGISTRATION BY SECRETARY OF STATE. If the~~
2 ~~application satisfies the requirements of this chapter, and the~~
3 ~~application fee has been paid, the secretary of state shall.~~

4 ~~[(1) endorse on the original and the copy of the~~
5 ~~application.~~

6 ~~[(A) the word "filed", and~~

7 ~~[(B) the date on which the application was filed,~~

8 ~~[(2) file the original in his office,~~

9 ~~[(3) issue a certificate of registration evidencing~~
10 ~~registration on the date on which the application was filed,~~

11 ~~[(4) attach the copy to the certificate of~~
12 ~~registration; and~~

13 ~~[(5) deliver the certificate of registration with the~~
14 ~~attached copy of the application to the applicant.~~

15 ~~[Sec. 16.12. TERM OF REGISTRATION. (a) The registration~~
16 ~~of a mark under this chapter is effective for a term of 10 years from~~
17 ~~the date of registration.~~

18 ~~[Sec. 16.13. NOTICE OF EXPIRATION OF REGISTRATION.~~
19 ~~(a) During the period beginning 12 months and ending 6 months~~
20 ~~before the day a registration expires, the secretary of state~~
21 ~~shall, by writing to the last known address of the registrant under~~
22 ~~this chapter or under a prior act, notify the registrant of the~~
23 ~~necessity for renewing or reregistering under Section 16.14 of this~~
24 ~~code.~~

25 ~~[(b) Neither the secretary of state's failure to notify a~~
26 ~~registrant nor the registrant's nonreceipt of a notice under~~
27 ~~Subsection (a) of this section~~

1 ~~[(1) extends the term of a registration; or~~

2 ~~[(2) excuses the registrant's failure to renew or~~
3 ~~reregister.~~

4 ~~[Sec. 16.14. RENEWAL OF REGISTRATION AND REREGISTRATION.~~

5 ~~(a) The registration of a mark under this chapter may be renewed~~
6 ~~for an additional 10-year term by filing a renewal application~~
7 ~~within six months before the day the registration expires. The~~
8 ~~registrant shall submit to the secretary of state:~~

9 ~~[(1) a renewal application stating that:~~

10 ~~[(A) the mark is still in use in this state; or~~

11 ~~[(B) nonuse of the mark in this state:~~

12 ~~[(i) is due to special circumstances which~~
13 ~~excuse the nonuse; and~~

14 ~~[(ii) is not due to an intention to abandon~~
15 ~~the mark in this state; and~~

16 ~~[(2) a renewal application fee of \$25 payable to the~~
17 ~~secretary of state.~~

18 ~~[(b) A registrant may renew a registration under Subsection~~
19 ~~(a) of this section for successive terms of 10 years.~~

20 ~~[(d) The renewal application must be signed by the~~
21 ~~registrant or the registrant's agent.~~

22 ~~[Sec. 16.15. RECORD, NOTICE, AND PROOF OF REGISTRATION.~~

23 ~~(a) The secretary of state shall keep for public examination a~~
24 ~~record of all:~~

25 ~~[(1) marks registered, reregistered, or renewed under~~
26 ~~this chapter;~~

27 ~~[(2) assignments recorded under Section 16.18 of this~~

1 ~~code; and~~

2 ~~[(3) other instruments recorded under Section 16.19 of~~
3 ~~this code.~~

4 ~~[(b) Registration of a mark under this chapter is~~
5 ~~constructive notice throughout this state of the registrant's claim~~
6 ~~of ownership of the mark throughout this state.~~

7 ~~[(c) A certificate of registration issued by the secretary~~
8 ~~of state under this chapter, or a copy of it certified by the~~
9 ~~secretary of state, is admissible in evidence as prima facie proof~~
10 ~~of~~

11 ~~[(1) the validity of the registration;~~

12 ~~[(2) the registrant's ownership of the mark; and~~

13 ~~[(3) the registrant's exclusive right to use the mark~~
14 ~~in commerce in this state in connection with the goods or services~~
15 ~~specified in the certificate, subject to any conditions and~~
16 ~~limitations stated in the certificate.~~

17 ~~[Sec. 16.16. CANCELLATION OF REGISTRATION. (a) The~~
18 ~~secretary of state shall cancel~~

19 ~~[(1) all registrations in force before May 2, 1962,~~
20 ~~which are more than 10 years old and which have not been~~
21 ~~reregistered under Section 16.14(c) of this code;~~

22 ~~[(2) a registration on receipt of a voluntary request~~
23 ~~for cancellation from the registrant under this chapter or under a~~
24 ~~prior act as identified by the records of the secretary of state;~~

25 ~~[(3) registrations granted under this chapter and not~~
26 ~~renewed under Section 16.14(a) of this code;~~

27 ~~[(4) a registration concerning which a district or~~

1 ~~appellate court has rendered a final judgment, which has become~~
2 ~~unappealable, cancelling the registration or finding that~~

3 ~~[(A) the registered mark has been abandoned,~~

4 ~~[(B) the registrant under this chapter or under a~~
5 ~~prior act is not the owner of the mark,~~

6 ~~[(C) the registration was granted contrary to the~~
7 ~~provisions of this chapter,~~

8 ~~[(D) the registration was obtained fraudulently,~~
9 ~~or~~

10 ~~[(E) the registered mark has become incapable of~~
11 ~~serving as a mark.~~

12 ~~[(b) The clerk of the court whose final judgment cancels a~~
13 ~~registration or makes any of the findings specified in Subsection~~
14 ~~(a)(4) of this section shall, when the judgment becomes~~
15 ~~unappealable, transmit a certified copy of it to the secretary of~~
16 ~~state.~~

17 ~~[Sec. 16.17. ASSIGNMENT OF MARK AND REGISTRATION. (a) A~~
18 ~~mark and its registration under this chapter are assignable with~~
19 ~~the goodwill of the business in which the mark is used, or with that~~
20 ~~part of the goodwill connected with the use of, and symbolized by,~~
21 ~~the mark.~~

22 ~~[(b) An assignment shall be made by duly executed written~~
23 ~~instrument.~~

24 ~~[Sec. 16.18. RECORDATION OF ASSIGNMENT AND ITS EFFECT.~~
25 ~~(a) An assignment made under Section 16.17 of this code may be~~
26 ~~recorded with the secretary of state by~~

27 ~~[(1) filing with him~~

1 ~~[(A) the original assignment; and~~

2 ~~[(B) a duplicate original or legible photocopy on~~
3 ~~durable paper of the assignment; and~~

4 ~~[(2) paying him a fee of \$10.~~

5 ~~[(b) If an assignment has been properly filed for record~~
6 ~~under Subsection (a) of this section, the secretary of state shall~~

7 ~~[(1) issue in the assignee's name a new certificate of~~
8 ~~registration for the remainder of the term of the mark's~~
9 ~~registration, reregistration, or last renewal;~~

10 ~~[(2) endorse on the original and duplicate original~~
11 ~~assignment or photocopy the~~

12 ~~[(A) words "Filed for record in the office of the~~
13 ~~Secretary of State, State of Texas"; and~~

14 ~~[(B) date on which the assignment was filed for~~
15 ~~record;~~

16 ~~[(3) file the duplicate original or photocopy of the~~
17 ~~assignment in his office; and~~

18 ~~[(4) return the endorsed original assignment to the~~
19 ~~assignee or his representative.~~

20 ~~[(c) The assignment of a mark registered under this chapter~~
21 ~~is void against a purchaser who purchases the mark for value after~~
22 ~~the assignment is made and without notice of it unless the~~
23 ~~assignment is recorded by the secretary of state~~

24 ~~[(1) within three months after the date of the~~
25 ~~assignment; or~~

26 ~~[(2) before the mark is purchased.~~

27 ~~[Sec. 16.19. RECORDATION OF OTHER INSTRUMENTS. (a) An~~

1 ~~instrument that is related to the ownership of a mark registered~~
2 ~~under this subchapter, including articles of merger or conversion~~
3 ~~or a document effecting a name change, may be recorded with the~~
4 ~~secretary of state by:~~

5 ~~[(1) filing a certified copy of the instrument, and~~

6 ~~[(2) paying a filing fee in the amount established for~~
7 ~~the filing of an assignment under Section 16.18.~~

8 ~~[(b) This section does not apply to the recording of a~~
9 ~~mortgage or a security interest or other instrument that is~~
10 ~~recordable under the Uniform Commercial Code.~~

11 ~~[(c) A license agreement related to a mark registered under~~
12 ~~this chapter may not be recorded under this section.~~

13 ~~[Sec. 16.20. TRANSFER OF MARK; CHANGE OF REGISTRANT'S~~
14 ~~NAME; CHANGE OF ADDRESS. (a) If ownership of a registered mark is~~
15 ~~transferred or a registrant's name is changed during the unexpired~~
16 ~~term of a registration, a new certificate of registration may be~~
17 ~~issued for the remainder of the unexpired term of the mark's~~
18 ~~registration in the name of the transferee or in the new name of the~~
19 ~~registrant upon the filing of an instrument under Section 16.19.~~

20 ~~[(b) The secretary of state may amend the trademark records~~
21 ~~of an effective registration to reflect a change of registrant~~
22 ~~address upon receipt of a statement signed by the registrant or the~~
23 ~~registrant's agent. The statement must set forth the name of the~~
24 ~~registrant of record, a description of the registered mark, the~~
25 ~~registration number issued by the secretary of state, and the~~
26 ~~registrant's new address.~~

27 ~~[Sec. 16.21. POWERS OF SECRETARY OF STATE. (a) The~~

1 ~~secretary of state may adopt rules relating to the filing of~~
2 ~~documents under this subchapter.~~

3 ~~[(b) The secretary of state may prescribe forms for use in~~
4 ~~filing documents under this subchapter.~~

5 ~~[Sec. 16.22. ELECTRONIC FILINGS AND REPRODUCTIONS. (a) An~~
6 ~~application for renewal of trademark registration, an assignment~~
7 ~~under Section 16.17, or a transfer of ownership or change of~~
8 ~~registrant name under Section 16.19 may be submitted in an~~
9 ~~electronic format that is approved by the secretary of state. An~~
10 ~~instrument that is filed in accordance with this subsection is~~
11 ~~deemed to have complied with:~~

12 ~~[(1) the filing requirements of the section pursuant~~
13 ~~to which it is filed; and~~

14 ~~[(2) any requirement that the document be submitted as~~
15 ~~an originally signed instrument.~~

16 ~~[(b) All electronic acknowledgments and certificates~~
17 ~~required to be issued by the secretary of state for the instruments~~
18 ~~filed pursuant to Subsection (a) shall be considered issued or~~
19 ~~provided by the secretary of state on the initial transmission by~~
20 ~~the secretary of state of the acknowledgment or certificate~~
21 ~~required to be filed.~~

22 ~~[(c) Any certificate issued by the secretary of state~~
23 ~~concerning any instrument filed under this subchapter need not be~~
24 ~~on paper or reduced to printed form.~~

25 ~~[(d) If permitted by the rules adopted by the secretary of~~
26 ~~state, an original instrument required or authorized to be filed~~
27 ~~with the secretary of state under this subchapter may be a~~

1 ~~photographic, photostatic, facsimile, or similar reproduction of a~~
2 ~~signed instrument.~~

3 ~~[(c) All civil and criminal penalties applicable to the~~
4 ~~filing of documents under this chapter apply to all documents filed~~
5 ~~pursuant to this section.~~

6 ~~[SUBCHAPTER C. COURT ACTION~~

7 ~~[Sec. 16.24. REVIEW OF SECRETARY OF STATE'S DECISIONS. (a)~~
8 ~~If the secretary of state takes final action refusing to register a~~
9 ~~mark under Section 16.109 or to renew the registration of a mark~~
10 ~~under Section 16.14, the applicant or registrant may file suit for~~
11 ~~review of the secretary of state's decision in one of the Travis~~
12 ~~County district courts.~~

13 ~~[(b) A suit filed under Subsection (a) of this section is~~
14 ~~tried de novo, as an appeal from a justice court to a county court,~~
15 ~~and~~

16 ~~[(1) every decision or action concerning an issue in~~
17 ~~the suit made or taken by the secretary of state before the suit was~~
18 ~~filed is void,~~

19 ~~[(2) the district court shall determine the issues in~~
20 ~~the suit as if no decision had been made or action taken by the~~
21 ~~secretary of state, and~~

22 ~~[(3) the district court may not apply in any form the~~
23 ~~substantial evidence rule in reviewing a decision or action of the~~
24 ~~secretary of state.~~

25 ~~[(c) The legislature declares that~~

26 ~~[(1) this section is not severable from the other~~
27 ~~sections of this chapter,~~

1 ~~[(2) it would not have enacted this chapter without~~
2 ~~this section; and~~

3 ~~[(3) this chapter is void if a court in a final~~
4 ~~judgment which becomes unappealable invalidates this section in~~
5 ~~whole or part.~~

6 ~~[Sec. 16.25. SUIT TO CANCEL REGISTRATION. (a) A person~~
7 ~~who believes that he is or will be damaged by a registration under~~
8 ~~this chapter may sue to cancel the registration in a district court~~
9 ~~having venue.~~

10 ~~[(b) The clerk of a court in which suit is filed under~~
11 ~~Subsection (a) of this section shall transmit notice of the suit to~~
12 ~~the secretary of state, who shall place the notice in the~~
13 ~~registration file with proper notations and endorsements.~~

14 ~~[(c) When the registrant's agent for service of process is~~
15 ~~the secretary of state, the secretary of state shall forward notice~~
16 ~~of the suit by registered mail to the registrant at his last address~~
17 ~~of record.~~

18 ~~[(d) If the court finds that the losing party in a suit filed~~
19 ~~under Subsection (a) of this section should have known his position~~
20 ~~was without merit, the court may award the successful party his~~
21 ~~reasonable attorneys' fees and charge them as part of the costs~~
22 ~~against the losing party.~~

23 ~~[Sec. 16.26. INFRINGEMENT OF REGISTERED MARK. (a) Subject~~
24 ~~to Section 16.27 of this code, a person commits an infringement if,~~
25 ~~without the registrant's consent, he~~

26 ~~[(1) uses anywhere in this state a reproduction,~~
27 ~~counterfeit, copy, or colorable imitation of a mark registered~~

1 ~~under this chapter in connection with selling, offering for sale,~~
2 ~~or advertising goods or services when the use is likely to deceive~~
3 ~~or cause confusion or mistake as to the source or origin of the~~
4 ~~goods or services; or~~

5 ~~[(2) reproduces, counterfeits, copies, or colorably~~
6 ~~imitates a mark registered under this chapter and applies the~~
7 ~~reproduction, counterfeit, copy, or colorable imitation to a label,~~
8 ~~sign, print, package, wrapper, receptacle, or advertisement~~
9 ~~intended to be used in selling, leasing, distributing, or rendering~~
10 ~~goods or services in this state when the use is likely to deceive or~~
11 ~~cause confusion or mistake as to the source or origin of the goods~~
12 ~~or services.~~

13 ~~[(b) A registrant may sue for damages and to enjoin an~~
14 ~~infringement proscribed by Subsection (a) of this section in a~~
15 ~~district court having venue.~~

16 ~~[(c) If the district court determines that there has been an~~
17 ~~infringement, it shall enjoin the act of infringement and may~~

18 ~~[(1) require the infringer to pay the registrant all~~
19 ~~damages resulting from the acts of infringement and occurring from~~
20 ~~and after the date two years before the day the suit was filed; and~~

21 ~~[(2) order that the infringing reproductions,~~
22 ~~counterfeits, copies, or colorable imitations in the possession or~~
23 ~~under the control of the infringer be~~

24 ~~[(A) delivered to an officer of the court,~~

25 ~~[(B) delivered to the registrant; or~~

26 ~~[(C) destroyed.~~

27 ~~[(d) A registrant is entitled to recover damages under~~

1 ~~Subsection (c)(1) of this section only for an infringement that~~
2 ~~occurred during the period of time the infringer had actual~~
3 ~~knowledge of the registrant's mark.~~

4 ~~[Sec. 16.27. EXCEPTIONS TO LIABILITY FOR INFRINGEMENT. (a)~~
5 ~~No registration under this chapter adversely affects common law~~
6 ~~rights acquired prior to registration under this chapter. However,~~
7 ~~during any period when the registration of a mark under this chapter~~
8 ~~is in force and the registrant has not abandoned the mark, no common~~
9 ~~law rights as against the registrant of the mark may be acquired.~~

10 ~~[(b) The owner or operator of a radio or television station,~~
11 ~~or the owner or publisher of a newspaper, magazine, directory, or~~
12 ~~other publication, is not liable in that business under Section~~
13 ~~16.26 of this code for the use of a registered mark furnished by one~~
14 ~~of his advertisers or customers.~~

15 ~~[Sec. 16.28. PROCURING APPLICATION OR REGISTRATION BY~~
16 ~~FRAUD. (a) No person may procure for himself or another the~~
17 ~~filing of an application or the registration of a mark under this~~
18 ~~chapter by knowingly making a false or fraudulent representation or~~
19 ~~declaration, oral or written, or by any other fraudulent means.~~

20 ~~[(b) A person injured by the false or fraudulent procurement~~
21 ~~of an application or registration may sue the person who violated~~
22 ~~Subsection (a) of this section in a district court having venue and~~

23 ~~[(1) recover from him damages resulting from use of~~
24 ~~the fraudulently registered mark, plus costs of suit, including~~
25 ~~attorneys' fees, and~~

26 ~~[(2) have the registration cancelled.~~

27 ~~[Sec. 16.29. INJURY TO BUSINESS REPUTATION OR TRADE NAME OR~~

1 ~~MARK. A person may bring an action to enjoin an act likely to~~
2 ~~injure a business reputation or to dilute the distinctive quality~~
3 ~~of a mark registered under this chapter or Title 15, U.S.C., or a~~
4 ~~mark or trade name valid at common law, regardless of whether there~~
5 ~~is competition between the parties or confusion as to the source of~~
6 ~~goods or services. An injunction sought under this section shall be~~
7 ~~obtained pursuant to Rule 680 et seq. of the Texas Rules of Civil~~
8 ~~Procedure.~~

9 ~~[Sec. 16.30. OLYMPIC SYMBOLS. (a) Without the permission~~
10 ~~of the United States Olympic Committee, a person may not, for the~~
11 ~~purpose of trade, to induce the sale of goods or services, or to~~
12 ~~promote a theatrical exhibition, athletic performance, or~~
13 ~~competition, use:~~

14 ~~[(1) the symbol of the International Olympic~~
15 ~~Committee, consisting of five interlocking rings,~~

16 ~~[(2) the emblem of the United States Olympic~~
17 ~~Committee, consisting of an escutcheon having a blue chief and~~
18 ~~vertically extending red and white bars on the base with five~~
19 ~~interlocking rings displayed on the chief,~~

20 ~~[(3) a trademark, trade name, sign, symbol, or~~
21 ~~insignia falsely representing association with or authorization by~~
22 ~~the International Olympic Committee or the United States Olympic~~
23 ~~Committee, or~~

24 ~~[(4) the words "Olympic," "Olympiad," or "Citius~~
25 ~~Altius Fortius" or a combination or simulation of those words that~~
26 ~~tends to cause confusion or mistake, to deceive, or to suggest~~
27 ~~falsely a connection with the United States Olympic Committee or an~~

1 ~~Olympic activity.~~

2 ~~[(b) On violation of Subsection (a), the United States~~
3 ~~Olympic Committee is entitled to the remedies available to a~~
4 ~~registrant on infringement of a mark registered under this chapter.~~

5 ~~[Sec. 16.31. CRIMINAL PENALTY. (a) A person commits an~~
6 ~~offense if the person knowingly or intentionally signs and presents~~
7 ~~or causes to be presented for filing a document that may be or is~~
8 ~~required to be filed under this chapter and that:~~

9 ~~[(1) indicates that the person signing the document~~
10 ~~has the authority to act on behalf of an applicant or registrant~~
11 ~~when the person is not authorized to act on behalf of the applicant~~
12 ~~or registrant;~~

13 ~~[(2) contains a material false statement; or~~

14 ~~[(3) is forged.~~

15 ~~[(b) An offense under this section is a Class A misdemeanor~~
16 ~~unless the actor's intent is to defraud or harm another, in which~~
17 ~~event the offense is a state jail felony.]~~

18 SECTION 2. Sections 32.23(3), (5), and (6), Penal Code, are
19 amended to read as follows:

20 (3) "Protected mark" means a trademark or service mark
21 or an identification mark that is:

22 (A) registered with the secretary of state;

23 (B) registered on the principal register of the
24 United States Patent and Trademark Office;

25 (C) registered under the laws of another state;

26 or

27 (D) protected by ~~[Section 16.30, Business &~~

1 ~~Commerce Code, or by~~] 36 U.S.C. Section 371 et seq.

2 (5) "Service mark" has the meaning assigned by Section
3 16.001 [~~16.01~~], Business & Commerce Code.

4 (6) "Trademark" has the meaning assigned by Section
5 16.001 [~~16.01~~], Business & Commerce Code.

6 SECTION 3. The intent of this Act is to provide a system of
7 trademark registration and protection in this state that is
8 substantially consistent with the federal system of trademark
9 registration and protection under the Trademark Act of 1946, as
10 amended. To that end, the construction given to the Trademark Act
11 of 1946 (15 U.S.C. Section 1051 et seq.) should be examined as
12 persuasive authority for interpreting and construing this Act.

13 SECTION 4. The changes in law made by this Act do not affect
14 any suit, proceeding, or appeal pending on the effective date of
15 this Act. A suit, proceeding, or appeal pending on the effective
16 date of this Act is governed by the law in effect on the date the
17 suit, proceeding, or appeal was filed, and the former law is
18 continued in effect for that purpose.

19 SECTION 5. This Act takes effect September 1, 2011.