

GENERAL ASSEMBLY OF NORTH CAROLINA
1997 SESSION

SESSION LAW 1997-476
SENATE BILL 864

AN ACT TO CONFORM THE NORTH CAROLINA TRADEMARK REGISTRATION ACT TO THE 1992 MODEL STATE TRADEMARK BILL BY MAKING VARIOUS AMENDMENTS TO THE ACT, INCLUDING REPEALING THE REQUIREMENT THAT APPLICANTS FOR A REGISTRATION INCLUDE PROOF OF USE OF THE TRADEMARK IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

Section 1. G.S. 80-1 reads as rewritten:

"§ 80-1. Definitions.

(a) The term 'applicant' as used herein means the person filing an application for registration of a trademark under this Article, ~~his~~ the person's legal representatives, successors or assigns.

(b) The term 'mark' as used herein includes any trademark or service mark entitled to registration under this Article whether registered or not.

(c) The term 'person' as used herein means any individual, firm, partnership, corporation, association, union or other organization.

(d) The term 'registrant' as used herein means the person to whom the registration of a trademark under this Article is issued, ~~his~~ the person's legal representatives, successors or assigns.

(d1) The term 'Secretary' as used herein means the Secretary of State or the designee of the Secretary charged with the administration of this Article.

(e) The term 'service mark' as used herein means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others.

(f) The term 'trademark' as used herein means any word, name, symbol, or device or any combination thereof adopted and used by a person to identify goods made, sold, or distributed by him and to distinguish them from goods made, sold, or distributed by others.

(g) The term 'use' means the bona fide use of a mark in the State of North Carolina in the ordinary course of trade, and not merely the reservation of a right to a mark. For the purposes of this Article, a mark shall be deemed to be 'used' in this State (i) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of

the goods makes ~~such~~ placement impractical, then on documents associated with the goods, and ~~such~~ the goods are currently sold or otherwise distributed in the State, and (ii) on services when it is used or displayed in the sale or advertising of services and the services are currently being rendered in this State, or are being offered and are available to be rendered in this State.

(h) A mark shall be deemed to be 'abandoned' when either of the following occurs:

- (1) When its use has been discontinued with intent not to resume its use. Intent not to resume may be inferred from circumstances. Nonuse for three consecutive years shall constitute prima facie evidence of abandonment.
- (2) When any course of conduct of the owner, including acts of omission as well as commission, causes the mark to lose its significance as a mark."

Section 2. Article 1 of Chapter 80 of the General Statutes is amended by adding a new section to read:

"§ 80-1.1. Purpose.

The purpose of this Article is to provide a system of State trademark registration and protection substantially consistent with the federal system of trademark registration and protection under the Trademark Act of 1946, 15 U.S.C. § 1051, et seq., as amended. The construction given the federal act should be examined as persuasive authority for interpreting and construing this Article."

Section 3. G.S. 80-2(5) reads as rewritten:

- "(5) Consists of a mark which (i) when applied to the goods or services of the applicant, is merely descriptive of them or merely describes one or more of the characteristics, or is deceptively misdescriptive of them, or falsely describes the nature, function, capacity, or characteristics of them, or (ii) when applied to the goods or services of the applicant, is primarily geographically descriptive or deceptively misdescriptive of them, or (iii) is primarily merely a surname; provided, however, that nothing in this subdivision (5) shall prevent the registration of a mark used in this State by the applicant which has become distinctive of the applicant's goods or services. The Secretary ~~of State~~ may accept as evidence that the mark has become distinctive, as applied to the applicant's goods or services, proof of continuous use thereof as a mark by the applicant in this State ~~or elsewhere~~ for the five years preceding the date ~~of the filing of the application for registration; on which the claim of distinctiveness is made; or"~~

Section 4. G.S. 80-3 reads as rewritten:

"§ 80-3. Application for registration.

(a) Subject to the limitations set forth in this Article, any person who uses a mark, or any person who controls the nature and quality of the goods or services in connection with which a mark is used by another, in this State may file in the office of

the Secretary of State in a format to be prescribed by the Secretary of State, Secretary, an application for registration of that mark setting forth, but not limited to, the following information:

- (1) The name and business address of the person applying for ~~such~~ registration; and, if a corporation, the state of incorporation. If the application for registration relates to a mark used in connection with goods, the applicant shall list either the address of the applicant's principal place of business in North Carolina or a place of distribution and usage of ~~such~~ the goods in this State. If the application for registration relates to a mark used in connection with services, the applicant shall list a physical location at which the services are being rendered or offered in this State;
- (2) The goods or services in connection with which the mark is used and the mode or manner in which the mark is used in connection with ~~such~~ the goods or services and the class in which ~~such~~ the goods or services fall;
- (3) The date when the mark was first used anywhere and the date when it was first used in this State by the applicant, ~~his~~ the applicant's predecessor in business or by another under ~~such~~ the control of the applicant; and
- (4) A statement that the applicant is the owner of the ~~mark~~ mark, that the mark is in use, and that to the best of ~~his~~ the knowledge of the person verifying the application, no other person has registered in this State, or except as identified by applicant has the right to use ~~such~~ the mark in this State either in the identical form thereof or in such near resemblance thereto as to be ~~likely~~ likely, when applied to the goods or services of the other person, to cause confusion, or to cause mistake, or to deceive.

(b) The application shall be signed and verified by the applicant, by a partner, by a member of the firm, or an officer of the corporation or association applying for registration. In states in which a notary is not required by law to obtain a notary's stamp or seal, an original certificate of authority of the notary issued by the appropriate State agency shall be submitted with the application. If the application is signed by a person acting pursuant to a power of attorney from the applicant, an original power of attorney or a certified copy of the power of attorney shall accompany the application.

The application shall be accompanied by three specimens of the mark as currently used, ~~and proof of use or distribution in this State.~~

~~The application for registration shall be accompanied~~ used and by a filing fee of fifty dollars (\$50.00), payable to the ~~Secretary of State~~ Secretary.

(c) The Secretary may require a statement as to whether an application to register the mark, or portions or a component of the mark, has been filed by the applicant or a predecessor in interest in the United States Patent and Trademark Office and, if so, the applicant shall provide any relevant information required by the Secretary, including the

filing date and serial number of the application and the status of the application. If any application was finally refused registration or has otherwise not resulted in a registration, the Secretary may require the applicant to provide in the statement the reason the application was not registered. The Secretary may also require that a drawing of the mark accompany the application in a form specified by the Secretary."

Section 5. Article 1 of Chapter 80 of the General Statutes is amended by adding a new section to read:

"§ 80-3.1. Examination of application.

(a) Upon filing an application for registration and payment of the application fee, the Secretary may cause the application to be examined for conformity with this Article.

(b) The applicant shall provide any additional relevant information requested by the Secretary, including a description of a design mark, and may make, or authorize the Secretary to make, any amendments to the application reasonably requested by the Secretary or deemed by the applicant to be advisable to respond to a rejection or objection.

(c) The Secretary may require the applicant to disclaim an unregistrable component of a mark otherwise registrable, and an applicant may voluntarily disclaim a component of a mark requested to be registered. No disclaimer shall prejudice or affect the applicant's or registrant's rights then existing or thereafter arising in the disclaimed matter, or the applicant's or registrant's rights of registration on another application if the disclaimed matter is distinctive of the applicant's or registrant's goods or services.

(d) The Secretary may (i) amend the application submitted by the applicant, if the applicant consents, or (ii) require a new application be submitted.

(e) If the Secretary finds that the applicant is not entitled to registration, the Secretary shall advise the applicant of the reasons the applicant is not entitled to registration. The applicant shall have a reasonable period of time, specified by the Secretary, in which to reply or to amend the application. If the applicant replies and amends the application, the Secretary shall reexamine the application. This procedure may be repeated until (i) the Secretary finally refuses registration of the mark, or (ii) the applicant fails to reply or to amend the application within the specified period. If the applicant fails to reply or to amend the application, the application shall be deemed to have been abandoned.

(f) If the Secretary finally refuses registration of the mark, the applicant may seek a writ of mandamus to compel registration. The writ may be granted, without costs to the Secretary, on proof that all the statements in the application are true and that the mark is entitled to registration.

(g) When the Secretary receives more than one application seeking registration of the same or confusingly similar marks for the same or related goods or services and processes those applications concurrently, the Secretary shall grant priority to the applications in order of filing. If a previously filed application is granted a registration, any other application shall then be rejected. A rejected applicant may bring an action for cancellation of the registration on grounds of prior or superior rights to the mark, in accordance with the provisions of this Article."

Section 6. G.S. 80-4 reads as rewritten:

"§ 80-4. Certificate of registration.

Upon compliance by the applicant with the requirements of this Article, the Secretary ~~of State~~ shall cause a certificate of registration to be issued and delivered to the applicant. The certificate of registration shall be issued under the signature of the Secretary ~~of State~~ and the seal of the State, and it shall show the name and business address and, if a corporation, the state of incorporation, of the person claiming ownership of the mark, the date claimed for the first use of the mark anywhere and the date claimed for the first use of the mark in this State, the class of goods or services and a description of the goods or services on which the mark is used, a reproduction of the mark, the registration date, the registration number and the term of the registration.

Any certificate of registration issued by the Secretary ~~of State~~ under the provisions hereof or a copy thereof duly certified by the Secretary ~~of State~~ shall be admissible in evidence as competent and sufficient proof of the registration of ~~such~~ the mark in any action or judicial proceedings in any court of this State."

Section 7. G.S. 80-5 reads as rewritten:

"§ 80-5. Duration and renewal.

Registration of a mark hereunder shall be effective for a term of 10 years from the date of registration and shall be renewable for successive terms of 10 years upon application filed within six months prior to the expiration of any term. A renewal fee of thirty-five dollars (\$35.00), payable to the ~~Secretary of State~~, Secretary, shall accompany the application for renewal of the registration. Within six months following the expiration of a term of five years from the date of registration, or the last renewal of registration of the mark, the applicant shall submit a specimen showing evidence of current use of the mark and a signed statement verifying the use of such mark on a form to be furnished by the Secretary of State. Use of the form furnished by the Secretary of State is mandatory. Failure to submit this verification and specimen showing evidence of current use shall be grounds for cancellation of the registration of the mark by the Secretary of State.

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

The Secretary of State shall notify registrants of marks hereunder of the necessity of submitting evidence of current use of the mark after five years from the date of registration or of the last renewal of registration of the mark, by writing to the last known address of the registrants within the year preceding the due date for such submission.

Registration of marks ~~obtained~~ applied for under previous acts shall be continued in force for the full 10-year term ~~which is in effect October 1, 1991~~, without the necessity of submitting evidence of current use of the mark during ~~such~~ the term.

All applications for renewals under this Article, whether of registrations made under this Article or of registrations ~~affected~~ effected under any prior act, shall be filed with the Secretary ~~of State~~ in a format prescribed by the Secretary ~~of State~~ specifying the

information called for by G.S. 80-3 and shall include a statement that the mark is still in use in this State, setting forth those goods or services recited in the registration in connection with which the mark is still in use. The registration shall be renewed only as to ~~such~~ the goods and services."

Section 8. G.S. 80-6 reads as rewritten:

"§ 80-6. Assignment.

(a) Any mark and its registration hereunder shall be assignable with the goodwill of the business in which the mark is used, or with that part of the goodwill of the business connected with the use of and symbolized by the mark. Assignment shall be by instruments in writing duly executed and may be recorded with the Secretary ~~of State~~ upon the payment of a fee of twenty-five dollars (\$25.00), payable to the Secretary ~~of State~~ who, upon recording of the assignment, shall issue in the name of the assignee a new certificate for the remainder of the term of the registration or of the last renewal thereof. An assignment of any registration under this Article shall be void as against any subsequent purchaser for valuable consideration without notice, unless it is recorded with the Secretary ~~of State~~ within three months after the date thereof or prior to ~~such~~ subsequent purchase.

(b) Any registrant or applicant effecting a change of the name of the person to whom the mark was issued or for whom an application was filed may record a certificate of change of name of the registrant or applicant with the Secretary upon payment of the recording fee required under G.S. 80-7. The Secretary may issue a certificate of registration of an assigned application in the name of the assignee. The Secretary may issue in the name of the assignee a new certificate for the remainder of the term of the registration or for the last renewal of the registration.

(c) Other instruments that relate to a mark registered or application pending pursuant to this Article, including licenses, security interests, and mortgages, may be recorded in the discretion of the Secretary, upon payment of the recording fee required under G.S. 80-7. Instruments authorized under this subsection shall be in writing and duly executed.

(d) Acknowledgment shall be prima facie evidence of the execution of an assignment or other instrument and, when recorded by the Secretary, the record shall be prima facie evidence of execution.

(e) A photocopy of any instrument referenced in subsection (a), (b), or (c) of this section shall be accepted for recording if it is certified by any party to the instrument, or the party's successor, to be a true and correct copy of the original."

Section 9. G.S. 80-7 reads as rewritten:

"§ 80-7. Records.

The Secretary ~~of State~~ shall keep for public examination all assignments recorded under G.S. 80-6 and a record of all marks registered or renewed under this Article. The Secretary ~~of State~~ shall collect the following fees for copying, comparing, and certifying a copy of any filed document relating to a trademark or service mark:

- (1) Five dollars (\$5.00) for the certificate, and

- (2) One dollar (\$1.00) per page for copying or comparing a copy to the original.

The Secretary ~~of State~~ shall collect a recording fee of ten dollars (\$10.00) for recording name changes of corporate registrants and for recording transfers of the registration of any mark by merger or consolidation if the articles of merger or consolidation are records not on file in the Corporate Division of the Department of the Secretary of State."

Section 10. G.S. 80-8 reads as rewritten:

"§ 80-8. Cancellation.

The Secretary ~~of State~~ shall cancel from the ~~register;~~ register, in whole or in part:

- (1) Repealed by Session Laws 1991, c. 626, s. 8.
- (2) Any registration concerning which the Secretary ~~of State~~ shall receive a voluntary request for cancellation thereof from the registrant or the assignee of ~~record;~~ record.
- (3) All registrations granted under this Article and not renewed in accordance with the provisions ~~hereof;~~ hereof.
- (4) Any registration concerning which a court of competent jurisdiction shall ~~find~~ find:
 - a. That the registered mark has been abandoned or has become incapable of serving as a mark;
 - b. That the registrant is not the owner of the mark;
 - c. That the registration was granted improperly;
 - d. That the registration was obtained fraudulently;
 - e. That the registration is for a mark that is or has become the generic name for the goods or services for which it has been registered or for a portion of the goods or services for which it has been registered;
 - f. That the registration was obtained by means of materially false statements in the application for registration; or
 - g. That the registration is so similar to another mark used in the State as to be likely to cause confusion or mistake or to deceive if (i) the other mark was registered by another person in the United States Patent and Trademark Office prior to the date of the applicant's first use of the mark that is the subject of the application for registration, and (ii) the other mark has not been abandoned. However, if the registrant proves that the registrant is the owner of a concurrent registration of a mark in the United States Patent and Trademark Office covering an area including the entire State, the registration shall not be cancelled.
- (5) Any registration when a court of competent jurisdiction shall order cancellation ~~thereof;~~ thereof.
- (6) ~~Any registration for which compliance with the five year evidence of use requirement of G.S. 80-5 has not been effected; or~~

- (7) ~~Any registration which was obtained by means of false statements in the application for registration."~~

Section 11. G.S. 80-9 reads as rewritten:

"§ 80-9. Classification.

~~The following general classes of goods and services are established~~ The Secretary shall establish a classification of goods and services for convenience of administration of this Article, but not to limit or extend the applicant's or registrant's rights, and a single application for registration of a mark may include any or all goods upon which, or services for which, the mark is actually being used ~~comprised in a single class, but in no event shall a single application include goods or services upon or for which the mark is being used which fall within different classes of goods or services.~~ indicating the appropriate class or classes of goods or services. When a single application includes goods or services that fall within multiple classes, the Secretary may require payment of a fee for each class. The Secretary of State ~~shall have the right to~~ may amend the classes herein established to conform ~~the same them~~ to the classification established for the United States Patent and Trademark Office as from time to time amended.

~~The said classes are as follows:~~

(a) Goods.—

1. ~~Raw or partly prepared materials.~~
2. ~~Receptacles.~~
3. ~~Baggage, animal equipments, portfolios, and pocketbooks.~~
4. ~~Abrasives and polishing materials.~~
5. ~~Adhesives.~~
6. ~~Chemicals and chemical compositions.~~
7. ~~Cordage.~~
8. ~~Smokers' articles, not including tobacco products.~~
9. ~~Explosives, firearms, equipments, and projectiles.~~
10. ~~Fertilizers.~~
11. ~~Inks and inking materials.~~
12. ~~Construction materials.~~
13. ~~Hardware and plumbing and steam fitting supplies.~~
14. ~~Metals and metal castings and forgings.~~
15. ~~Oils and greases.~~
16. ~~Protective and decorative coatings.~~
17. ~~Tobacco products.~~
18. ~~Medicines and pharmaceutical preparations.~~
19. ~~Vehicles.~~
20. ~~Linoleum and oiled cloth.~~
21. ~~Electrical apparatus, machines, computer hardware, video tapes, and supplies.~~
22. ~~Games, toys, and sporting goods.~~
23. ~~Cutlery, machinery, and tools, and parts thereof.~~
24. ~~Laundry appliances and machines.~~

25. Locks and safes.
26. ~~Measuring and scientific appliances and computer software.~~
27. ~~Horological instruments.~~
28. ~~Jewelry and precious metal ware.~~
29. ~~Brooms, brushes, and dusters.~~
30. ~~Crockery, earthenware, and porcelain.~~
31. ~~Filters and refrigerators.~~
32. ~~Furniture and upholstery.~~
33. ~~Glassware.~~
34. ~~Heating, lighting, and ventilating apparatus.~~
35. ~~Belting, hose, machinery packing, and nonmetallic tires.~~
36. ~~Musical instruments and supplies.~~
37. ~~Paper and stationery.~~
38. ~~Prints and publications.~~
39. ~~Clothing.~~
40. ~~Fancy goods, furnishings, and notions.~~
41. ~~Canes, parasols, and umbrellas.~~
42. ~~Knitted, netted and textile fabrics, and substitutes therefor.~~
43. ~~Thread and yarn.~~
44. ~~Dental, medical, and surgical appliances.~~
45. ~~Soft drinks and carbonated waters.~~
46. ~~Foods and ingredients of foods.~~
47. ~~Wines.~~
48. ~~Malt beverages and liquors.~~
49. ~~Distilled alcoholic liquors.~~
50. ~~Merchandise not otherwise classified.~~
51. ~~Cosmetics and toilet preparations.~~
52. ~~Detergents and soaps.~~

(b) ~~Services.—~~

100. ~~Miscellaneous.~~
101. ~~Advertising and business.~~
102. ~~Insurance and financial.~~
103. ~~Construction and repair.~~
104. ~~Communications.~~
105. ~~Transportation and storage.~~
106. ~~Material treatment.~~
107. ~~Education and entertainment."~~

Section 12. G.S. 80-10 reads as rewritten:

"§ 80-10. Fraudulent registration.

Any person who shall for himself, or on behalf of any other person, procure the filing or registration of any mark in the office of the Secretary of State under the provisions hereof, by knowingly making any false or fraudulent representation or declaration, verbally or in writing, or by any other fraudulent means, shall be liable to

pay all damages sustained in consequence of such filing or registration, to be recovered by or on behalf of the party injured thereby in any court of competent jurisdiction."

Section 13. This act takes precedence over all statutes that are inconsistent with this act or that contradict this act, effective October 1, 1997. The Secretary of State shall advise the General Statutes Commission of any statutes that should be amended or repealed to conform to this act.

Section 14. This act becomes effective October 1, 1997, and applies to acts occurring on or after that date. This act shall not affect any suit, proceeding, or appeal pending on October 1, 1997.

In the General Assembly read three times and ratified this the 26th day of August, 1997.

s/ Dennis A. Wicker
President of the Senate

s/ Harold J. Brubaker
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 2:17 p.m. this 4th day of September, 1997