

CHAPTER 315—H.F.No. 2315

An act relating to commerce; regulating trademarks and service marks; defining terms; providing remedies; amending Minnesota Statutes 1996, sections 333.18; 333.19, subdivision 1; 333.20, subdivisions 1 and 2; 333.21, subdivision 2; 333.23; 333.24; 333.25; 333.26; and 333.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 333; repealing Minnesota Statutes 1996, section 325D.165.

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

Section 1. Minnesota Statutes 1996, section 333.18, is amended to read:

333.18 TRADEMARKS AND SERVICE MARKS; DEFINITIONS.

Subdivision 1. **TRADEMARKS AND SERVICE MARKS.** (1) (a) The term "trademark" as used in sections 333.18 to 333.31 means any word, name, symbol, or device or any combination thereof adopted and used by a person to identify goods made or sold by that person and to distinguish them from goods made or sold by others. Trademark includes a mark used on or in connection with the goods of one or more persons other than the owner of the mark to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of the goods or that the work or labor on the goods was performed by the members of a union or other organization. The term also includes a mark by members of a cooperative, an association, or other collective group or organization and includes marks used to indicate membership in a union, an association, or other organization.

(2) (b) The term "service mark" as used in sections 333.18 to 333.31 means a word, name, symbol, or device or any combination thereof adopted and used by a person to identify that person's services and to distinguish them from services of others and includes without limitation the marks, names, symbols, titles, designations, slogans, character names, and distinctive features of radio or other advertising used in commerce. Service mark includes a mark used in connection with the services of one or more persons other than the owner of the mark to certify regional or other origin, material, quality, accuracy, or other characteristics of the service or that the work or labor on the services was performed by members of a union or other organization. The term also includes a mark used by members of a cooperative, an association, or other collective group or organization and includes marks used to indicate membership in a union, an association, or other organization.

(3) (c) The term "certification mark" means a mark used upon or in connection with the products or services of one or more persons other than the owner of the mark to certify regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of ~~such~~ the goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.

(4) (d) The term "collective mark" means a trademark or service mark used by the members of a cooperative, an association or other collective group or organization and includes marks used to indicate membership in a union, an association or other organization.

Subd. 2. **PERSON.** The term "person" as used ~~herein~~ in sections 333.18 to 333.31 means any individual, firm, partnership, limited partnership, limited liability partner-

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ship, corporation, limited liability company, whether domestic or foreign, association, union or other organization.

Subd. 3. **APPLICANT.** The term "applicant" as used herein in sections 333.18 to 333.31 embraces the person filing an application for registration of a mark under sections 333.18 to 333.31, the applicant's legal representatives, successors or assigns.

Subd. 4. **REGISTRANT.** The term "registrant" as used herein in sections 333.18 to 333.31 embraces the person to whom the registration of a mark under sections 333.18 to 333.31 is issued, a legal representative, successors or assigns.

Subd. 5. **USED; ADOPTED AND USED.** (1) For the purposes of sections 333.18 to 333.31, a trademark ~~shall be deemed to be~~ is "used" in this state when it is placed in any manner on the goods or their containers or on the tags or labels affixed thereto ~~to them~~ or on displays associated with the goods and ~~such~~ the goods are sold or otherwise distributed in this state for marketing or other legitimate business purposes.

(2) For the purpose of sections 333.18 to 333.31, a service mark ~~shall be deemed to be~~ is "adopted and used" when it is adopted and used in connection with the rendering, selling, or advertising of services in this state to identify the services of one person and distinguish them from the services of others, and ~~such~~ the services are rendered for marketing or other legitimate business purposes.

Subd. 6. **ABANDONED; ABANDONMENT.** For purposes of sections 333.18 to 333.31, a trademark or service mark is considered abandoned when either of the following occurs:

(1) when its use has been discontinued with intent not to resume that use. Intent not to resume use may be inferred from circumstances. Nonuse for two consecutive years constitutes prima facie evidence of abandonment; or

(2) when a course of conduct of the owner, including acts of omission as well as commission, causes the mark to lose its significance as a mark.

Subd. 7. **DILUTION.** The term "dilution" means the lessening of the capacity of a famous mark to identify and distinguish goods and services, regardless of the presence or absence of:

(1) competition between the owner of a famous mark and other parties; or

(2) the likelihood of confusion, mistake, or deception.

Subd. 8. **GENERIC.** The term "generic" means that the registered mark is no longer considered by the public to identify exclusively the goods or services of the markholder as described in the application for the mark.

Sec. 2. Minnesota Statutes 1996, section 333.19, subdivision 1, is amended to read:

Subdivision 1. A trademark or service mark by which the goods or services of any applicant for registration may be distinguished from the goods or services of others shall ~~must~~ not be registered if it:

(1) consists of or comprises immoral, deceptive or scandalous matter; or

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

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(3) consists of or comprises the flag or coat of arms or other insignia of the United States, or of any state or municipality, or of any foreign nation, or any simulation thereof of this insignia; or

(4) consists of or comprises the name, signature or portrait of any living individual, except with written consent; or

(5) consists of a mark which, ~~(a)~~ (i) when applied to the goods or used to identify the services of the applicant, is merely descriptive or deceptively misdescriptive of them, or ~~(b)~~ (ii) when applied to the goods or used to identify the services of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, or ~~(c)~~ (iii) is primarily merely a surname provided, however, that nothing in this subsection ~~clause~~ (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 used to identify the services, proof of substantially exclusive and continuous use thereof as a mark by the applicant in this state for the five years next preceding the date of the filing of the application for registration; or

(6) consists of or comprises a mark which so resembles a mark registered in this state or a corporate, limited liability company, limited liability partnership, cooperative, or limited partnership name in use or reserved in this state by another, or a mark or trade name previously used in this state by another and not abandoned, as to be likely, when applied to the goods or used to identify the services of the applicant, to cause confusion or mistake or to deceive. The secretary of state may require affidavits by both the applicant and by the holder of the previously registered name or mark in making this determination.

Sec. 3. Minnesota Statutes 1996, section 333.20, subdivision 1, is amended to read:

Subdivision 1. Subject to the limitations set forth in sections 333.18 to 333.31, any person who adopts and uses a trademark or a service mark in this state may file in the office of the secretary of state, on a form to be furnished by the secretary of state, 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 business entity, the state of ~~incorporation,~~ registration;

(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) a description of the mark;

(4) the date when the mark was first used in this state by the applicant or a predecessor in business, interest; and

(4) (5) the applicant's statement of belief that the applicant is the owner of the mark and that no other person has the right to use such mark in this state either in the identical form thereof or in such near resemblance thereto as might be calculated to deceive or to be mistaken therefor and the mark is in use.

Sec. 4. Minnesota Statutes 1996, section 333.20, subdivision 2, is amended to read:

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Subd. 2. The application shall be signed as provided in section 645.44, subdivision 14, and verified by the individual applicant or by a member of the firm or an officer of the corporation, or association or by a manager of a domestic or foreign limited liability company, or association applying, for business entity applicants, by a person with authority to sign on behalf of the business entity.

Sec. 5. Minnesota Statutes 1996, section 333.21, subdivision 2, is amended to read:

Subd. 2. 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 and shall be prima facie evidence of registrant's ownership and exclusive right to use the mark on or in connection with the goods or services described in the certificate.

Sec. 6. Minnesota Statutes 1996, section 333.23, is amended to read:

333.23 CONVEYANCES OF MARKS; RECORDATION, FEE, NECESSITY.

The secretary of state shall record written conveyances of any mark along with that part of the goodwill of the business in connection with which the mark is used, and of the corresponding application or registration which is presented for recording along with a payment of a fee of \$15 and 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 sections 333.18 to 333.31 shall be void as against any subsequent purchaser for valuable consideration without notice unless it is ~~recorded~~ filed with the secretary of state within three months after the date thereof of the assignment or prior to such before the subsequent purchase.

Sec. 7. Minnesota Statutes 1996, section 333.24, is amended to read:

333.24 SECRETARY OF STATE'S RECORD OF MARKS.

The secretary of state shall keep for public examination a record of all marks ~~registered~~ filed or renewed under sections 333.18 to 333.31 ~~in accordance with~~ according to the classification hereinafter set forth in sections 333.18 to 333.31. ~~Such~~ The record of registration shall be is constructive notice of registrant's claim of ownership of the mark registered.

Sec. 8. Minnesota Statutes 1996, section 333.25, is amended to read:

333.25 CANCELLATION OF MARKS.

Subdivision 1. The secretary of state shall cancel from the register:

(1) after two years from the effective date of Laws 1959, chapter 600, all registrations under prior acts which are not renewed ~~in accordance with~~ according to sections 333.18 to 333.31;

(2) any registration concerning which the secretary of state shall receive a voluntary request for cancellation ~~thereof~~ from the registrant;

(3) all registrations ~~granted~~ filed under sections 333.18 to 333.31 and not renewed ~~in accordance with the~~ according to its provisions thereof;

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(4) in compliance with an order of a district court, any registration concerning which the court shall find that:

- a. that (i) the registered mark has been abandoned;
- b. that (ii) the registrant is not the owner of the mark;
- e. that (iii) the registration was granted filed improperly;
- d. that (iv) the registration was obtained fraudulently;

(v) the mark is or has become the generic name for the goods or services, or a portion of the goods or services, for which it has been registered; or

e. that (vi) the registered mark is so similar, as to be likely to cause confusion or mistake or to deceive, to a mark registered by another person previously in this state or in the United States Patent and Trademark Office, prior to before the date of the filing of the application for registration by the registrant hereunder under sections 333.18 to 333.31, and not abandoned; provided, however, that should the registrant prove that the registrant is the prior user of the mark or the owner of a concurrent registration of the mark in the United States Patent and Trademark Office covering an area including this state, the registration hereunder shall not be canceled; or

(5) a registration when a district court shall order cancellation of a the registration on any ground.

Subd. 2. No registration shall be canceled after the mark has had substantially exclusive and continuous use by the registrant for five years following the registration of said the mark except for the reasons set forth in subdivision 1, subsections clauses (1), (2), and (3) and subsections clause (4)a, b and d thereof, items (i), (ii), and (iv), or unless a mark has been registered in this state prior to before use of registrant's mark or a mark has been registered in the United States Patent and Trademark Office with the publication date thereof prior to of it before the date of use of registrant's mark, which marks when used on or in connection with the goods or services of the respective registrants would be likely to cause confusion, mistake, or deception, or unless the mark is the common descriptive name of any article, substance, or service.

Sec. 9. Minnesota Statutes 1996, section 333.26, is amended to read:

333.26 CLASSIFICATION SYSTEM.

For convenience of administration of sections 333.18 to 333.31, but not to limit or extend the applicant's or registrant's rights, the secretary of state shall adopt the classification system in effect in the United States Patent and Trademark Office on the effective date of Laws 1959, Chapter 600, and shall revise this classification system to conform with said the United States Patent and Trademark Office system as and if changes are made therein in that system. A single application for registration of a mark may include any or all goods or services with which the mark is actually being used comprised in a single class, but in no event shall a single application include goods or service with which the mark is being used which fall within different classes.

Sec. 10. [333.285] INJURY TO BUSINESS REPUTATION; DILUTION.

(a) The owner of a mark that is famous in this state may, subject to the principles of equity and upon terms the court considers reasonable: seek an injunction against another

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person's commercial use of a mark or trade name, if the use begins after the mark has become famous and causes dilution of the distinctive quality of the mark; and obtain other relief as provided in this section.

In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to:

- (1) the degree of inherent or acquired distinctiveness of the mark in this state;
- (2) the duration and extent of use of the mark in connection with the goods and services with which the mark is used;
- (3) the duration and extent of advertising and publicity of the mark in this state;
- (4) the geographical extent of the trading area in which the mark is used;
- (5) the channels of trade for the goods or services with which the mark is used;
- (6) the degree of recognition of the mark in the trading areas and channels of trade in this state used by the mark's owner and the person against whom the injunction is sought;
- (7) the nature and extent of use of the same or similar mark by third parties; and
- (8) whether the mark is the subject of a state registration in this state, or a federal registration under the Act of March 3, 1881, or under the Act of February 20, 1905, or on the principal register.

(b) In an action brought under this section, the owner of a famous mark is entitled only to injunctive relief in this state, unless the person against whom the injunctive relief is sought willfully intended to trade on the owner's reputation or to cause dilution of the famous mark. If willful intent is proven, the owner is entitled to the remedies in this chapter, subject to the discretion of the court and the principles of equity.

(c) The following are not actionable under this section:

- (1) fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark;
- (2) noncommercial use of the mark; and
- (3) all forms of news reporting and news commentary.

Sec. 11. Minnesota Statutes 1996, section 333.29, subdivision 1, is amended to read:

Subdivision 1. Any district court may grant injunctions to restrain infringement of registrant's rights and may require the defendants to pay the registrant all benefits derived from and/or damages suffered by reason of such infringement. The prevailing party may, in the discretion of the court, be awarded a reasonable attorney's fee to be taxed by the court as a part of the costs and merged into the judgment. An owner of a mark registered under sections 333.18 to 333.31 may bring an action to enjoin the manufacture, use, display, or sale of any counterfeits or imitations of the mark, and a court of competent jurisdiction may grant injunctions to restrain the manufacture, use, display, or sale as the court considers just and reasonable. The court may require the defendants to pay to the owner either or both of the following: (1) all profits derived from the wrongful manufacture, use, display, or sale; or (2) all damages suffered by reason of the wrongful manufacture, use,

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display, or sale. The court may also order that counterfeits or imitations in the possession or under the control of a defendant be delivered to an officer of the court, or to the complainant, to be destroyed. The court, in its discretion, may enter judgment for an amount not to exceed three times the profits and damages and reasonable attorneys' fees of the prevailing party if the court finds the other party committed the wrongful acts with knowledge or in bad faith or otherwise as according to the circumstances of the case.

Sec. 12. [333.305] FORUM FOR ACTIONS REGARDING REGISTRATION; SERVICE ON OUT-OF-STATE REGISTRANTS.

(a) Actions to require cancellation of a mark registered according to sections 333.18 to 333.31 or in mandamus to compel registration of a mark according to sections 333.18 to 333.31 shall be brought in the district court. In an action in mandamus, the proceeding shall be based solely upon the record before the secretary of state. In an action for cancellation, the secretary of state shall not be made a party to the proceeding but shall be notified of the filing of the complaint by the clerk of the court in which it is filed and shall be given the right to intervene in the action.

(b) In an action brought against a nonresident registrant, service may be effected upon the secretary of state as agent for service of the registrant according to the procedures established for service upon nonresident corporations and business entities under section 5.25.

Sec. 13. REPEALER.

Minnesota Statutes 1996, section 325D.165, is repealed.

Presented to the governor March 19, 1998

Signed by the governor March 23, 1998, 10:36 a.m.

CHAPTER 316—S.F.No. 2207

An act relating to health; exempting certain prescriptions from bearing a federal drug enforcement administration registration number; restricting the use and the release of the federal drug enforcement administration registration number; amending Minnesota Statutes 1996, section 152.11, by adding subdivisions.

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

Section 1. Minnesota Statutes 1996, section 152.11, is amended by adding a subdivision to read:

Subd. 2a. FEDERAL REGISTRATION NUMBER EXEMPTION. A prescription need not bear a federal drug enforcement administration registration number that authorizes the prescriber to prescribe controlled substances if the drug prescribed is not a controlled substance in schedule II, III, IV, or V. No person shall impose a requirement inconsistent with this subdivision.

Sec. 2. Minnesota Statutes 1996, section 152.11, is amended by adding a subdivision to read:

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