

S. 1883

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. TITLE I--
TRADEMARK LAW REVISIONSEC. 101.
SHORT TITLE

This title may be cited as the "Trademark Law Revision Act of 1988".SEC. 102. REFERENCE TO THE TRADEMARK ACT OF 1946.

Except as otherwise expressly provided, whenever in this title an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Act entitled "An Act to provide for the registration and protection of trade--marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946 (*15 U.S.C. 1051* and following) (commonly referred to as the "Trademark Act of 1946").

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SEC. 103. APPLICATION TO REGISTER TRADEMARKS.

Section 1 (*15 U.S.C. 1051*) is amended--

(1) in the matter before subsection (a), by striking out "may register his" and inserting in lieu thereof "may apply to register his or her";

(2) by redesignating paragraphs (1), (2), and (3) of subsection (a) as subparagraphs (A), (B), and (C), respectively;

(3) by redesignating subsections (a), (b), and (c) as paragraphs (1), (2), and (3), respectively;

(4) by inserting "(a)" after "SECTION 1.";

(5) in subsection (a)(1)(A), as redesignated by this section--

(A) by striking out "applied to" and inserting in lieu thereof "used on or in connection with"; and

(B) by striking out "goods in connection" and inserting in lieu thereof "goods on or in connection";

(6) in subsection (a)(1)(C), as redesignated by this section, by striking out "actually";

(7) in subsection (a)(2), as redesignated by this section, by striking out "filing" and inserting in lieu thereof "prescribed";

(8) by redesignating subsection (d) as subsection (e); and

(9) by inserting before subsection (e), as redesignated by paragraph (8) of this section, the following:

"(b) A person who has a bona fide intention, under circumstances showing the good faith of such person, to use a trademark in commerce may apply to register the trademark under this Act on the principal register hereby established:

"(1) By filing in the Patent and Trademark Office--

"(A) a written application, in such form as may be prescribed by the Commissioner, verified by the applicant, or by a member of the firm or an officer of the corporation or association applying, specifying applicant's domicile and citizenship, applicant's bona fide intention to use the mark in commerce, the goods on or in connection with which the applicant has a bona fide intention to use the mark and the mode or manner in which the mark is intended to be used on or in connection with such goods, including a statement to the effect that the person making the verification believes himself or herself, or the firm, corporation, or association in whose behalf he or she makes the verification, to be entitled to use the mark in commerce, and that no other person, firm, corporation, or association, to the best of his or her knowledge and belief, has the right to use such mark in commerce either in the identical form of the mark or in such near resemblance to the mark as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive, however, except for applications filed pursuant to section 44, no mark shall be registered until the applicant has met the requirements of subsection (d) of this section; and

"(B) a drawing of the mark.

"(2) By paying in the Patent and Trademark Office the prescribed fee.

"(3) By complying with such rules or regulations, not inconsistent with law, as may be prescribed by the Commissioner.

"(e) At any time during examination of an application filed under subsection (b), an applicant who has made use of the mark in commerce may claim the benefits of such use for purposes of this Act, by amending his or her application to bring it into conformity with the requirements of subsection (a).

"(d)(1) Within six months after the date on which the notice of allowance with respect to a mark is issued under section 13(b)(2) to an applicant under subsection (b) of this section, the applicant shall file in the Patent and Trademark Office, together with such number of specimens or facsimiles of the mark as used in commerce as may be required by the Commissioner and payment of the prescribed fee, a verified statement that the mark is in use in commerce and specifying the date of the applicant's first use of the mark in commerce, those goods or services specified in the notice of allowance on or in connection with which the mark is used in commerce, and the mode or manner in which the mark is used on or in connection with such goods or services. Subject to examination and acceptance of the statement of use, the mark shall be registered in the Patent and Trademark Office, a certificate of registration shall be issued for those goods or services recited in the statement of use for which the mark is entitled to registration, and notice of registration shall be published in the Official Gazette of the Patent and Trademark Office. Such examination may include an examination of the factors set forth in subsections (a) through (e) of section 2. The notice of registration shall specify the goods or services for which the mark is registered.

"(2) The Commission shall extend, for one additional 6---month period, the time for filing the statement of use under paragraph (1), upon written request of the applicant before the expiration of the 6---month period provided in paragraph (1). In addition to an extension under the preceding sentence, the Commissioner may, upon a showing of good cause by the applicant, further extend the time for filing the statement of use under paragraph (1) for periods aggregating not more than 24 months, pursuant to written request of the applicant made before the expiration of the last extension granted under this paragraph. Any request for an extension under this paragraph shall be accompanied by a verified statement that the applicant has a continued bona fide intention to use the mark in commerce and specifying those goods or services identified in the notice of allowance on or in connection with which the applicant has a continued bona fide intention to use the mark in commerce. Any request for an extension under this paragraph shall be accompanied by payment of the prescribed fee. The Commissioner shall issue regulations setting forth guidelines for determining what constitutes good cause for purposes of this paragraph.

"(3) The Commissioner shall notify any applicant who files a statement of use of the acceptance or refusal thereof and, if the statement of use is refused, the reasons for the refusal. An applicant may amend the statement of use.

"(4) The failure of timely file a verified statement of use under this subsection shall result in abandonment of the application."

SEC. 104 TRADEMARKS REGISTRABLE ON PRINCIPAL REGISTER.

Section 2 (15 U.S.C. 1052) is amended--

(1) by amending subsection (d) to read as follows:

"(d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive: *Provided*, That if the Commissioner determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce prior to (1) the earliest of the filing dates of the applications pending or of any registration issued under this Act; (2) July 5, 1947, in the case of registrations previously issued under the Act of March 3, 1881, or February 20, 1905, and continuing in full force and effect on that date; or (3) July 5, 1947, in the case of applications filed under the Act of February 20, 1905, and registered after July 5, 1947. Use prior to the filing date of any pending application or a

registration shall not be required when the owner of such application or registration consents to the grant of a concurrent registration to the applicant. Concurrent registrations may also be issued by the Commissioner when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Commissioner shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods on or in connection with which such mark is registered to the respective persons.";

(2) in subsection (e) by striking out "applied to" each place it appears and inserting in lieu thereof "used on or in connection with"; and

(3) in subsection (f)--

(A) by striking out "applied to" and inserting in lieu thereof "used on or in connection with"; and

(B) by striking out "five years" and all that follows through the end of the subsection and inserting in lieu thereof "five years before the date on which the claim of distinctiveness is made."

SEC. 105. SERVICE MARKS REGISTRABLE.

Section 3 (*15 U.S.C. 1053*) is amended--

(1) in the first sentence--

(A) by striking out "used in commerce"; and

(B) by striking out ", except when" and all that follows through "mark is used"; and

(2) by striking out the second sentence.

SEC. 106. COLLECTIVE AND CERTIFICATION MARKS REGISTRABLE.

Section 4 (*15 U.S.C. 1054*) is amended--

(1) in the first sentence--

(A) by striking out "origin used in commerce"; and inserting in lieu thereof "origin,"; and

(B) by striking out "except when" and inserting in lieu thereof "except in the case of certification marks when"; and

(2) by striking out the second sentence.

SEC. 107. USE BE RELATED COMPANIES.

Section 5 (*15 U.S.C. 1055*) is amended by adding at the end thereof the following: "If first use of a mark by a person is controlled by the registrant or applicant for registration of the mark with respect to the nature and quality of the goods or services, such first use shall inure to the benefit of the registrant or applicant, as the case may be.".

SEC. 108. DISCLAIMER OF UNREGISTRABLE MATTER.

Section 6(b) (*15 U.S.C. 1056(b)*) is amended by striking out "paragraph (d)" and inserting in lieu thereof "subsection (e)".

SEC. 109. CERTIFICATE OF REGISTRATION ON THE PRINCIPLE REGISTER.

Section 7 (*15 U.S.C. 1057*) is amended--

(1) by amending subsection (b) to read as follows:

"(b) A certificate of registration of a mark upon the principal register provided by this Act shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's

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exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate, subject to any conditions or limitations stated in the certificate.";

(2) by redesignating subsections (c), (d), (e), (f), and (g) as subsections (d), (e), (f), (g), and (h), respectively;

(3) by inserting after subsection (b) the following:

"(c) Contingent on the registration of a mark on the principal register provided by this Act, the filing of the application to register such mark shall constitute constructive use of the mark, conferring a right of priority, nationwide in effect, on or in connection with the goods or services specified in the registration against any other person except for a person whose mark has not been abandoned and who, prior to such filing--

"(1) has used the mark;

"(2) has filed an application to register the mark which is pending or has resulted in registration of the mark; or

"(3) has filed a foreign application to register the mark on the basis of which he or she has acquired a right of priority, and timely files an application under section 44(d) to register the mark which is pending or has resulted in registration of the mark.";

(4) in subsection (d), as redesignated by paragraph (2) of this section, by striking out "fee herein provided" and inserting in lieu thereof "prescribed fee";

(5) in subsection (f), as redesignated by paragraph (2) of this section, by striking out "fee required bylaw" and inserting in lieu thereof "prescribed fee"; and

(6) in subsection (h), as redesignated by paragraph (2) of this section, by striking out "required fee" and inserting in lieu thereof "prescribed fee".

SEC. 110. DURATION OF REGISTRATION.

Section 8(a) (*15 U.S.C. 1058(a)*) is amended--

(1) by striking out "twenty" and inserting in lieu thereof "ten"; and

(2) by striking out "showing that said mark is in use in commerce or showing that its" and inserting in lieu thereof "setting forth those goods or services recited in the registration on or in connection with which the mark is in use in commerce and attaching to the affidavit a specimen of facsimile showing current use of the mark, or showing that any".

SEC. 111. RENEWAL OF REGISTRATION.

Section 9 (*15 U.S.C. 1059*) is amended--

(1) in subsection (a) by striking out "twenty" and inserting in lieu thereof "ten"; and

(2) in subsection (c) by striking out "1(d) hereof" and inserting in lieu thereof "1(e) of this

Act".

SEC. 112. ASSIGNMENT.

Section 10 (*15 U.S.C. 1060*) is amended--

(1) in the first sentence by striking out "and in any such assignment" and inserting in lieu thereof the following: "However, no application to register a mark under section 1(b) shall be assignable prior to the filing of the verified statement of use under section 1(d), except to a successor to the business of the applicant, or portion thereof, to which the mark pertains, if that business is ongoing and existing. In any assignment authorized by this section"; and

(2) in the last paragraph by striking out "1(d) hereof" and inserting in lieu thereof "1(e) of this Act".

SEC. 113. EXAMINATION OF APPLICATION.

Section 12(a) (*15 U.S.C. 1062(a)*) is amended--

(1) by striking out "fee herein provided" and inserting in lieu thereof "prescribed fee"; and

(2) by striking out "to registration, the" and inserting in lieu thereof "to registration, or would be entitled to registration upon the acceptance of the statement of use required by section 1(d) of this Act, the".

SEC. 114. OPPOSITION TO MARKS.

Section 13 (*15 U.S.C. 1063*) is amended--

- (1) by inserting "(a)" before "Any person";
- (2) by striking out "required fee" and inserting in lieu thereof "prescribed fee"; and
- (3) by adding at the end thereof the following:
 - (b) Unless registration is successfully opposed--

"(1) a mark entitled to registration on the principal register based on an application filed under section 1(a) or pursuant to section 44 shall be registered in the Patent and Trademark Office, a certificate of registration shall be issued, and notice of the registration shall be published in the Official Gazette of the Patent and Trademark Office; or

"(2) a notice of allowance shall be issued to the applicant if the applicant applied for registration under section 1(b)."

SEC. 115. CANCELLATION OF REGISTRATIONS.

Section 14 (*15 U.S.C. 1064*) is amended--

- (1) in the matter preceding subsection (a)--
 - (A) by inserting "as follows" after "be filed"; and
 - (B) by striking out "1905--" and inserting in lieu thereof "1905:";
- (2) in subsection (a)--
 - (A) by striking out "(a) within" and inserting in lieu thereof "(1) Within"; and
 - (B) by striking out "or" and inserting in lieu thereof a period;
- (3) in subsection (b)--
 - (A) by striking out "(b) within" and inserting in lieu thereof "(2) Within"; and
 - (B) by striking out ";or" and inserting in lieu thereof a period;
- (4) by amending subsection (c) to read as follows:

"(3) At any time if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of section 4 or of subsection (a), (b), or (c) of section 2 for a registration under this Act, or contrary to similar prohibitory provisions of such prior Acts for a registration under such Acts, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used. If the registered mark becomes the generic name for less than all of the goods or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used.";

- (5) in subsection (d)--
 - (A) by striking out "(d) at" and inserting in lieu thereof "(4) At"; and
 - (B) by striking out ";or" and inserting in lieu thereof a period;
- (6) in subsection (e)--
 - (A) by striking out "(e) at" and inserting in lieu thereof "(5) At"; and

(B) by striking out "(1)", "(2)", "(3)", and "(4)" and inserting in lieu thereof "(A)", "(B)", "(C)", and "(D)", respectively; and

(7) in the proviso at the end of the section by striking out "subsections (c) and (e)" and inserting in lieu thereof "paragraphs (3) and (5)".

SEC. 116. INCONTESTABILITY OF RIGHT TO USE MARK.

Section 15 (*15 U.S.C. 1065*) is amended--

- (1) by striking out "subsections (c) and (e)" and inserting in lieu thereof "paragraphs (3) and (5)";
- (2) in paragraph (3) by striking out "subsections (1) and (2) hereof" and inserting in lieu thereof

"paragraphs (1) and (2) of this section"; and

(3) in paragraph (4) by striking out "the common descriptive name of any article or substance, patented or otherwise" and inserting in lieu thereof "the generic name for the goods or services or a portion thereof, for which it is registered".

SEC. 117. INTERFERENCE.

Section 16 (*15 U.S.C. 1066*) is amended by striking out "applied to the goods or when used in connection with the services" and inserting in lieu thereof "used on or in connection with the goods or services".

SEC. 118. ACTION OF COMMISSIONER IN PROCEEDINGS.

Section 18 (*15 U.S.C. 1068*) is amended--

(1) by striking out "or restrict" and inserting in lieu thereof "the registration, in whole or in part, may modify the application or registration by limiting the goods or services specified therein, may otherwise restrict or rectify with respect to the register";

(2) by striking out "or may refuse" and inserting in lieu thereof "may refuse"; and

(3) adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) before the mark is registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).".

SEC. 119. APPLICATION OF EQUITABLE PRINCIPLES.

Section 19 (*15 U.S.C. 1069*) is amended by striking out the second sentence. SEC. 120. APPEALS.

Section 21 (*15 U.S.C. 1071*) is amended--

(1) in subsection (a)(1)--

(A) by striking out "section 21(b) hereof" each place it appears and inserting in lieu thereof "subsection (b) of this section";

(B) by striking out "section 21(a)(2) hereof" and inserting in lieu thereof "paragraph (2) of this subsection";
and

(C) by striking out "said section 21(b)" and inserting in lieu thereof "subsection (b) of this section";

(2) in subsection (a)(4), by adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) before the mark is registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).";

(3) in subsection (b)(1)--

(A) by striking out "section 21(a) hereof" and inserting in lieu thereof "subsection (a) of this section";

(B) by striking out "section 21(a) hereof" and inserting in lieu thereof "subsection (a) of this section";

and

(C) by adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) before the mark is registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c)."; and

(4) in subsection (b)(3), by striking out "(3)" and all that follows through the end of the first sentence and inserting in lieu thereof the following:

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"(3) In any case where there is no adverse party, a copy of the complaint shall be served on the Commission, and, unless the court finds the expense to be unreasonable, all the expenses of the proceeding shall be paid by the party bringing the case, whether the final decision is in favor of such party or not.".

SEC. 121. SUPPLEMENTAL REGISTER.

Section 23 (*15 U.S.C. 1091*) is amended--

(1) by inserting "(a)" before "in addition" in the first paragraph;

(2) by inserting "(b)" before "Upon the" in the second paragraph;

- (3) by inserting "(c)" before "For the purposes" in the third paragraph;
- (4) in subsection (a), as designated by paragraph (1) of this section--
- (A) by striking out "paragraphs (a)," and inserting in lieu thereof "subsections(a),";

(B) by striking out "have been in lawful use in commerce by the proprietor thereof, upon" and inserting in lieu thereof "are in lawful use in commerce by the owner thereof, on";

(C) by striking out "for the year preceding the filing of the application"; and

(D) by inserting before "section I" the following; "subsections (a) and (e) of";

(5) in subsection (b), as designated by paragraph (2) of this section, by striking out "fee herein provided" and inserting in lieu thereof "prescribed fee"; and

(6) by string out the last paragraph.

SEC.122.CANCELLATION ON SUPPLEMENTAL REGISTER.

Section 24(15 U.S.C. 1092) is amended--

(1) by striking out "verified" in the second sentence;

(2) by striking out "was not entitled to register the mark at the time of his application for registration thereof," and inserting in lieu thereof "is not entitled to registration,";

(3) by striking out "is not used by the registrant or"; and

(4) by adding at the end thereof the following: "however, no final judgment shall be entered in favor of an applicant under section 1(b) before the mark is registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).".

SEC. 123. PROVISIONS OF ACT APLICABLE TO SUPPLEMENTAL REGISTER.

Section 26(15 U.S.C. 1094) is amended--

(1) by inserting "1(b)," after "sections"; and

(2) by inserting "7(c)," after "7(b)".

SEC. 124. REGISTRATION ON PRINCIPAL REGISTER NOT PRECLUDED.

Section 27 (15 U.S.C. 1095) is amended by adding at the end thereof the following: "Registration of a mark on the supplemental register shall not constitute an admission that the mark has not acquired distinctiveness.".

SEC. 125. NOTICE OF REGISTRATION.

Section 29 (15 U.S.C. 1111) is amended by striking out "as used".

SEC. 126. CLASSIFICATION OF GOODS AND SERVICES.

Section 30 (15 U.S.C. 1112) is amended--

(1) by inserting "or registrant's" after "applicant's";

(2) by striking out "may file an application" and inserting in lieu thereof "may apply";

(3) by striking out "goods and services upon or in connection with which he is actually using the mark:"

and inserting in lieu thereof "goods or services on or in connection with which he or she is using or has a bona fide intention to use the mark in commerce:"; and

(4) by amending the proviso to read as follows: "*Provided.* That if the Commissioner by regulation permits the filing of an application for the registration of a mark for goods or services which fall within a plurality of classes, a fee equaling the sum of the fees for filing an application in each class shall be paid, and the commissioner may issue a single certificate of registration for such mark."

SEC.127. INNOCENT INFRINGEMENT AND VIOLATIONS OF SECTION 43(a)

Section 32(2) (15 U.S.C.1114(2)) is amended to read as follows:

"(2) Notwithstanding any other provision of this Act, the remedies given to the owner of a right infringed

under this Act or to a person bringing an action under section 43(a) shall be limited as follows:

"(A) Where an infringer or violator is engaged solely in the business of printing the mark or violating matter for others and establishes that he or she was an innocent infringer or innocent violator, the owner of the right infringed or person bringing the action under section 43(a) shall be entitled as against such infringer or violator only to an injunction against future printing.

"(B) Where the infringement or violation complained of is contained in or is part of paid advertising matter in a newspaper, magazine, or other similar periodical or in an electronic communication as defined in section 2510(12) of title 18, United States Code, the remedies of the owner of the right infringed or person bringing the action under section 43(a) as against the publisher or distributor of such newspaper, magazine, or other similar periodical or electronic communication shall be limited to an injunction against the presentation of such advertising matter in future issues of such newspaper, magazines, or other similar periodicals or in future transmissions of such electronic communications. The limitations of this subparagraph shall apply only to innocent infringers and innocent violators.

"(C) Injunctive relief shall not be available to the owner of the right infringed or person bringing the action under section 43(a) with respect to an issue of a newspaper, magazine, or other similar periodical or an electronic communication containing infringing matter or violation matter where restraining the dissemination of such infringing matter or violating matter in any particular issue of such periodical or in an electronic communication would delay the delivery of such issue of transmission of such electronic communication after the regular time for such delivery or transmission, and such delay would be due to the method by which publication and distribution of such periodical or transmission of such electronic communications is customarily conducted in accordance with sound business practice, and not due to any method or device adopted to evade this section or to prevent or delay the issuance of an injunction or restraining order with respect to such infringing matter or violating matter.

"(D) As used in this paragraph--

"(i) the term 'violator' means a person who violates section. 43(a); and

"(ii) the term 'violating matter' means matter that is the subject of a violation under section 43(a)."

SEC.128. REMEDIES.

(a) PRIMA FACIE EVIDENCE OF EXCLUSIVE RIGHT TO USE MARK.----Section 33(a) (15 U.S.C.1115(a)) is amended--

(1) by inserting "the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the "after" prima facie evidence of";

(2) by inserting "or in connection with" after "in commerce on";

(3) by striking out "an opposing party" and inserting in lieu thereof "another person"; and

(4) by inserting ", including those set forth in subsection (b)," after "or defect".

(b) CONCLUSIVE EVIDENCE OF EXCLUSIVE RIGHT TO USE MARK.----Section 33(b) (15 U.S.C.

1115(b)) is amended--

(1) in subsection (b) by amending the matter before paragraph (1) to read as follows:

"(b) To the extent that the right to use the registered mark has become incontestable under section 15, the registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce. Such conclusive evidence shall relate to the exclusive right to use the mark on or in connection with the goods or services specified in the affidavit filed under the provisions of section 15, or in the renewal application filed under the provisions of section 9 if the goods or services specified in the renewal are fewer in number, subject to any conditions or limitations in the registration or in such affidavit or renewal application. Such conclusive evidence of the right to use the registered mark shall be subject to proof of infringement as defined in section 32, and shall be subject to the following defenses or defects:"

(2) in paragraph (3) by inserting "on or" after "goods or services";

(3) in paragraph (4)----(A) by striking out "trade or service"; and

(B) by striking out "to users";

(4) in paragraph (5) by striking out "registration of the mark under this Act or" and inserting in lieu

thereof"(A) the date of the constructive use of the mark established pursuant to section 7(c), (B) the registration of the mark under this Act if the application for registration is filed before the effective date of the Trademark Law Revision Act of 1988, or (C)";

(5) in paragraph (7) by striking out the period and inserting in lieu thereof "; or"; and

(6) by adding at the end of the subsection the following:"(8) That equitable principles, including laches, estoppel, and acquiescence, are applicable."

(c) INJUNCTIONS.----Section 34(a) (*15 U.S.C. 1116(a)*) is amended in the first sentence by inserting "or to prevent a violation under section 43(a)" after "Office".

(d) NOTICE OF SUIT TO COMMISSIONER.----Section 34(c) (*15 U.S.C. 116(c)*) is amended---(1) by striking out "proceeding arising" and inserting in lieu thereof "proceeding involving a mark registered"; and

(2) by striking out "decision is rendered, appeal taken or a decree issued" and inserting in lieu thereof "judgment is entered or an appeal is taken".

(e) CIVIL ACTIONS ARISING FROM USE OF COUNTERFEIT MARKS.----Section 34(d)(1)(B) (*15*

U.S.C. 1116(d)(1)(B)) is amended by inserting "on or" after "designation used".
SEC. 129. RECOVERY FOR VIOLATION OF RIGHTS.

Section 35(a) (*15 U.S.C. 1117(a)*) is amended in the first sentence by inserting ", or a violation under section 43(a)," after "Office".

SEC. 130. DESTRUCTION OF INFRINGING ARTICLES.

Section 36 (*15 U.S.C. 1118*) is amended in the first sentence---(1) by inserting ", or a violation under section 43(a)," after "Office"; and

(2) by inserting after "registered mark" the following: "or, in the case of a violation of section 43(a), the word, term, name,

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symbol, device, combination thereof, designation, description, or representation that is the subject of the violation".

SEC. 131. JURISDICTION

(a) JURISDICTION OF COURTS.----Section 39 (*15 U.S.C. 1121*) is amended by inserting "(a)" after "Sec. 39".

(b) CERTAIN ACTIONS BY STATES PRECLUDED.----Section 39a (*15 U.S.C. 1121a*) is amended--

(1) by striking out "Sec. 39a." and inserting in lieu thereof "(b)"; and

(2) by striking out "servicemarks" each place it appears and inserting in lieu thereof "service marks".

SEC. 132. UNREGISTERED MARKS, DESCRIPTIONS, AND REPRESENTATIONS.

Section 43(a) (*15 U.S.C. 1125(a)*) is amended to read as follows:

"(a) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which--

"(1) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

"(2) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act."

SEC. 133. INTERNATIONAL MATTERS.

Section 44(*15 U.S.C. 1126*) is amended--

(1) in subsections (c), (d), (f), (g), and (h) by striking out "paragraph (b)" each place it appears and inserting in lieu thereof "subsection (b)";

(2) in subsection (a) by striking out "herein prescribed" and inserting in lieu thereof "required in this Act";

(3) in subsection (d) by striking out "sections 1, 2, 3, 4, or 23" and inserting in lieu thereof "section 1, 3, 4, 23, or 44(e)";

(4) in subsection (d)(2) by striking out "but use in commerce need not be alleged" and inserting in lieu thereof "including a statement that the applicant has a bona fide intention to use the mark in commerce";

(5) in subsection (d)(3) by striking out "foreign" and inserting in lieu thereof "foreign";

(6) in subsection (e) by adding at the end thereof the following: "The application must state the applicant's bona fide intention to use the mark in commerce, but use in commerce shall not be required prior to registration.";

(7) in subsection (f) by striking out "paragraphs (c), (d)," and inserting in lieu thereof "subsections(c),(d),"; and

(8) in subsection (i) by striking out "paragraph (b) hereof" and inserting in lieu thereof "subsection (b) of this section".

SEC. 134. CONSTRUCTION AND DEFINITIONS.

Section 45 (*15 U.S.C. 1127*) is amended--

(1) by amending the paragraph defining "related company" to read as follows:

"The term 'related company' means any person whose use of a mark is controlled by the owner of the mark with respect to the nature and quality of the goods or services on or in connection with which the mark is used.";

(2) by amending the paragraph defining "trade name" and "commercial name" to read as follows:

"The terms 'trade name' and 'commercial name' mean any name used by a person to identify his or her business or vocation.";

(3) by amending the paragraph defining "trademark" to read as follows: "The term 'trademark' includes any word, name, symbol, or device, or any combination thereof-- "(1) used by a person, or "(2) which a person has a bona fide intention to use in commerce and applies to register on the principal

register established by this Act, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source or the goods, even if that source is unknown.";

(4) by amending the paragraph defining "service mark" to read as follows:

"The term 'service mark' means any word, name, symbol, or device, or any combination thereof--

"(1) used by a person, or

"(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this Act,

to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is unknown. Titles, character names, and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.";

(5) by amending the paragraph defining "certification mark" to read as follows:

"The term 'certification mark' means any word, name, symbol, or device, or any combination thereof--

"(1) used by a person other than its owner, or

"(2) which its owner has a bona fide intention to permit a person other than the owner to use in commerce and files an application to register on the principal register established by this Act, to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such

person's goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.";

(6) by amending the paragraph defining "collective mark" to read as follows: "The term 'collective mark' means a trademark or service mark-- "(1) used by the members of a cooperative, an association, or other collective group or organization, or"(2) which such cooperative, association, or other collective group or organization has a bona fide intention to use in commerce and applies to register on the principal register established by this Act, and includes marks indicating membership in a union, an association, or other organization.";

(7) by amending the paragraph defining "mark" to read as follows: "The term 'mark' includes any trademark, service mark, collective mark, or certification mark.";

(8) by amending the matter which appears between the paragraph defining "mark", and the paragraph defining "colorable imitation" to read as follows:

"The term 'use in commerce' means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purpose of this Act, a mark shall be deemed to be in use in commerce--

"(1) on goods when----"(A) 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 impracticable, then on documents associated with the goods or their sale, and

"(B) the goods are sold or transported in commerce, and

"(2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.

"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 such use. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be prime facie evidence of abandonment. 'Use' of a mark means the bona fide use of that mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

"(2) When any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this paragraph."

SEC.135. PENDING APPLICATIONS.

The Trademark Act of 1946 is amended by adding at the end thereof the following:

"Sec. 51. All certificates of registration based upon applications for registration pending in the Patent and Trademark Office on the effecton date of the Trademark Law Revision Act of 1988 shall remain in force for a period of 10 years."

SEC. 136. EFFECTIVE DATE.

This title and the amendments made by this title shall become effective on the date which is one year after the date of enactment of this Act.

TITLE II----SATELLITE HOME VIEWER ACT

SEC. 201. SHORT TITLE.

This title may be cited as the "Satellite Home Viewer Act of 1988". SEC. 202. AMENDMENTS TO TITLE 17, UNITED

STATES CODE.

Title 17, United States Code, is amended as follows:

(1) Section 111 of title 17, United States Code, is amended--

(A) in subsection (a)--

(i) in paragraph (3) by striking "or" at the end;

(ii) by redesignating paragraph (4) as paragraph (5); and

(iii) by inserting the following after paragraph (3):

"(4) the secondary transmission is made by a satellite carrier for private home viewing pursuant to a statutory license under section 119; or"; and

(B) in subsection (d)(1)(A) by inserting before "Such statement" the following:

"In determining the total number of subscribers and the gross amounts paid to the cable system for the basic service of providing secondary transmissions of primary broadcast transmitters, the system shall not include subscribers and amounts collected from subscribers receiving transmissions for

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private home viewing pursuant to section 119."

(2) Chapter 1 of title 17, United States Code, is amended by adding at the end the following new section: "Sec.

119. Limitations on exclusive rights: Secondary transmissions of superstations and network stations

for private home viewing"(a) **SECONDARY TRANSMISSIONS BY SATELLITE CARRIERS.--**

"(1) **SUPERSTATIONS.**----Subject to provisions of paragraphs (3), (4), and (6) of this subsection, transmissions of a primary transmission made by a superstation and embodying a performance or display of a work shall be subject to statutory licensing under this section if the secondary transmission is made by a satellite carrier to the public for private home viewing, and the carrier makes a direct or indirect charge for each retransmission service to each household receiving the secondary transmission or to a distributor that has contracted with the carrier for direct or indirect delivery of the secondary transmission to the public for private home viewing.

"(2) **NETWORK STATIONS.--**

"(A) **IN GENERAL.**----Subject to the provisions of subparagraphs (B) and (C) of this paragraph and paragraphs (3), (4), (5), and (6) of this subsection, secondary transmission of programming contained in a primary transmission made by a network station and embodying a performance or display of a work shall be subject to statutory licensing under this section if the secondary transmission is made by a satellite carrier to the public for private home viewing, and the carrier makes a direct or indirect charge for such retransmission service to each subscriber receiving the secondary transmission.

"(B) **SECONDARY TRANSMISSIONS TO UNSERVED HOUSEHOLDS.**----The statutory license provided for in subparagraph (A) shall be limited to secondary transmissions to person who reside in unserved households.

"(C) **SUBMISSION OF SUBSCRIBER LISTS TO NETWORKS.**----A satellite carrier that makes secondary transmissions of a primary transmission made by a network station pursuant to subparagraph (A) shall, 90 days after the effective date of the Satellite Home Viewer Act of 1988, or 90 days after commencing such secondary transmissions, whichever is later, submit to the network that owns or is affiliated with the network station a list identifying (by street address, including county and zip code) all subscribers to which the satellite carrier currently makes secondary transmissions of that primary transmission. Thereafter, on the 15th of each month, the satellite carrier shall submit to the network a list identifying (by street address, including county and zip code) any persons who have been added or dropped as such subscribers since the last submission under this subparagraph. Such subscriber information submitted by a satellite carrier may be used only for purposes of monitoring compliance by the satellite carrier with this subsection. The submission requirements of this subparagraph shall apply to a satellite carrier only if the network to whom the submissions are to be made places on file with the Register of Copyrights, on or after the effective date of the Satellite Home Viewer Act of 1988, a

document identifying the name and address of the person to whom such submissions are to be made. The Register shall maintain for public inspection a file of all such documents.

"(3) NONCOMPLIANCE WITH REPORTING AND PAYMENT REQUIREMENTS.----

Notwithstanding the provisions of paragraphs (1) and (2), the willful or repeated secondary transmission to the public by a satellite carrier of a primary transmission made by a superstation or a network station and embodying a performance or display of a work is actionable as an act of infringement under section 501, and is fully subject to the remedies provided by sections 502 through 506 and 509, where the satellite carrier has not deposited the statement of account and royalty fee required by subsection (b), or has failed to make the submissions to networks required by paragraph (2)(C).

"(4) WILLFUL ALTERATIONS.----Notwithstanding the provisions of paragraphs (1) and (2), the secondary transmission to the public by a satellite carrier of a primary transmission made by a superstation or a network station and embodying a performance or display of a work is actionable as an act of infringement under section 501, and is fully subject to the remedies provided by sections 502 through 506 and section 509 and 510, if the content of the particular program in which the performance or display is embodied, or any commercial advertising or station announcement transmitted by the primary transmitter during, or immediately before or after, the transmission of such program, is in any way willfully altered by the satellite carrier through changes, deletions, or additions, or is combined with programming from any other broadcast signal.

"(5) VIOLATION OF TERRITORIAL RESTRICTIONS ON STATUTORY LICENSE FOR NETWORK STATIONS.--

"(A) INDIVIDUAL VIOLATIONS.----The willful or repeated secondary transmission by a satellite carrier of a primary transmission made by a network station and embodying a performance or display of a work to a subscriber who does not reside in an unserved household is actionable as an act of infringement under section 501 and is fully subject to the remedies provided by sections 502 through 506 and 509, except that--

"(i) no damages shall be awarded for such act of infringement if the satellite carrier took corrective action by promptly withdrawing service from the ineligible subscriber, and

"(ii) any statutory damages shall not exceed \$5 for such subscriber for each month during which the violation occurred.

"(B) PATTERN OF VIOLATIONS.----If a satellite carrier engages in a willful or repeated pattern or practice of delivering a primary transmission made by a network station and embodying a performance or display of a work to subscribers who do not reside in unserved households, then in addition to the remedies set forth in subparagraph (A)--

"(i) If the pattern or practice has been carried out on a substantially nationwide basis, the court shall order a permanent injunction barring the secondary transmission by the satellite carrier, for private home viewing, of the primary transmissions of any primary network station affiliated with the same network, and the court may order statutory damages of not to exceed \$250,000 for each 6--months period during which the pattern or practice was carried out; and

"(ii) if the pattern or practice has been carried out on a local or regional basis, the court shall order a permanent injunction barring the secondary transmission, for private home viewing in that locality or region, by the satellite carrier of the primary transmissions of any primary network station affiliated with the same network, and the court may order statutory damages of not to exceed \$250,000 for each 6--month period during which the pattern or practice was carried out.

"(C) PREVIOUS SUBSCRIBERS EXCLUDED.----Subparagraphs (A) and (B) do not apply to secondary transmissions by a satellite carrier to persons who subscribed to receive such secondary transmission from the satellite carrier or a distributor before the date of the enactment of the Satellite Home Viewer Act of 1988.

"(6) DISCRIMINATION BY A SATELLITE CARRIER.----Notwithstanding the provisions of paragraph (1), the willful or repeated secondary transmission to the public by a satellite carrier of a primary transmission made by a superstation or a network station and embodying a performance or display of a work is actionable as an act of infringement under section 501, and is fully subject to the remedies provided by section 502 through 506 and 509, if the satellite carrier unlawfully discriminates against distributor.

"(7) GEOGRAPHIC LIMITATIONSON SECONDARY TRANSMISSIONS.----The statutory license created by this section shall apply only to secondary transmissions to households located in the United States.

"(b) STATUTORY LICENSE FOR SECONDARY TRANSMISSIONS FOR PRIVATE HOME VIEWING.--

"(1) DEPOSITS WITH THE REGISTER OF COPYRIGHTS.----A satellite carrier whose secondary transmissions are subject to statutory licensing under subsection (a) shall, on a semiannual basis, deposit with the Register of Copyrights, in accordance with requirements that the Register shall, after consultation with the Copyright Royalty Tribunal, prescribe by regulation--

"(A) a statement of account, covering the preceding 6--months period, specifying the names and locations of all superstations and network stations whose signals were transmitted, at any time during that period, to subscribers for private home viewing as described in subsections (a)(1) and (a)(2), the total number of subscribers that received such transmissions, and such other data as the Register of Copyrights may, after consultation with the Copyright Royalty Tribunal, from time to time prescribe by regulation; and

"(B) a royalty fee for that 6--month period, computed by--

"(i) multiplying the total number of subscribers receiving each secondary transmission of a superstation during each calendar month by 12 cents;

"(ii) multiplying the number of subscribers receiving each secondary transmission of a network station during each calendar month by 3 cents; and

"(iii) adding together the totals computed under clauses (i) and (ii).

"(2) INVESTMENT OF FEES.----The Register of Copyrights shall receive all fees deposited under this section and, after deducting the reasonable costs incurred by the Copyright Office under this section (other than the costs deducted under paragraph (4)), shall deposit the balance in the Treasury of the United States, in such manner as the Secretary of the Treasury directs. All funds held by the Secretary of the Treasury shall be invested in interest--bearing securities of the United States for later distribution with interest by the Copyright Royalty Tribunal as provided by this title.

"(3) PERSONS TO WHOM FEES ARE DISTRIBUTED.----The royalty fees deposited under paragraph (2) shall, in accordance with the procedures provided by paragraph (4), be distributed to those copyright owners whose works were included in a secondary transmission for private home viewing made by a satellite carrier during the applicable 6--month accounting period and who file a claim with the Copyright Royalty Tribunal under paragraph (4).

"(4) PROCEDURES FOR DISTRIBUTION.----The royalty fees deposited under paragraph (2) shall be distributed in accordance with the following procedures:

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"(A) FILING OF CLAIMS FOR FEES.----During the month of July in each year, each person claiming to be entitled to statutory license fees for secondary transmissions for private home viewing shall file a claim with the Copyright Royalty Tribunal, in accordance with requirements that the Tribunal shall prescribe by regulation. For purposes of this paragraph, any claimants may agree among themselves as to the proportionate division of statutory license fees among them, may lump their claims together and file them jointly or as a single claim, or may designate a common agent to receive payment on their behalf.

"(B) DETERMINATION OF CONTROVERSY; DISTRIBUTIONS.----After the first day of August to each year, the Copyright Royalty Tribunal shall determine whether there exists a controversy concerning the distribution of royalty fees. If the Tribunal determines that no such controversy exists, the Tribunal shall, after deducting reasonable administrative costs under this paragraph, distribute such fees to the copyright owners entitled to receive them, or to their designated agents. If the Tribunal finds the existence of a controversy, the Tribunal shall, pursuant to chapter 8 of this title, conduct a proceeding to determine the distribution of royalty fees.

"(C) WITHHOLDING OF FEES DURING CONTROVERSY.----During the pendency of any proceeding under this subsection, the Copyright Royalty Tribunal shall withhold from distribution, an amount sufficient to satisfy all claims with respect to which a controversy exists, but shall have discretion

to proceed to distribute any amounts that are not in controversy.

"(c) DETERMINATION OF ROYALTY FEES.--

"(1) APPLICABILITY AND DETERMINATION OF ROYALTY FEES.----The rate of the royalty fee payable under subsection (b)(1)(B) shall be effective until December 31, 1992, unless a royalty fee is established under paragraph (2), (3), or (4) of this subsection. After that date, the fee shall be determined either in accordance with the voluntary negotiation procedure specified in paragraph (2) or in accordance with the compulsory arbitration procedure specified in paragraph (3) and (4).

"(2) FEE SET BY VOLUNTARY NEGOTIATION.

"(A) NOTICE OF INITIATION OF PROCEEDINGS.----On or before July 1, 1991, the Copyright Royalty Tribunal shall cause notice to be published in the Federal Register of the initiation of voluntary negotiation proceedings for the purpose of determining the royalty fee to be paid by satellite carriers under subsection (b)(1)(B).

"(B) NEGOTIATIONS.----Satellite carriers, distributors, and copyright owners entitled to royalty fees under this section shall negotiate in good faith in an effort to reach a voluntary agreement or voluntary agreements for the payment of royalty fees. Any such satellite carriers, distributors, and copyright owners may at any time negotiate and agree to the royalty fee, and may designate common agents to negotiate, agree to, or pay such fees. If the parties fail to identify common agents, the Copyright Royalty Tribunal shall do so, after requesting recommendations from the parties to the negotiation proceeding. The parties to each negotiation proceeding shall bear the entire cost thereof.

"(C) AGREEMENTS BINDING ON PARTIES; FILING OF AGREEMENTS.----Voluntary agreements negotiated at any time in accordance with this paragraph shall be binding upon all satellite carriers, distributors, and copyright owners that are parties thereto. Copies of such agreements shall be filed with the Copyright Office within 30 days after execution in accordance with regulations that the Register of Copyrights shall prescribe.

"(D) PERIOD AGREEMENT IS IN EFFECT.----The obligation to pay the royalty fees established under a voluntary agreement which has been filed with the Copyright Office in accordance with this paragraph shall become effective on the date specified in the agreement, and shall remain in effect until December 31, 1994.

"(3) FEE SET BY COMPULSORY ARBITRATION.--

"(A) NOTICE OF INITIATION OF PROCEEDINGS.----On or before December 31, 1991, the Copyright Royalty Tribunal shall cause notice to be published in the Federal Register of the initiation of arbitration proceedings for the purposes of determining a reasonable royalty fee to be paid under subsection (b)(1)(B) by satellite carriers who are not parties to a voluntary agreement filed with the Copyright Office in accordance with paragraph (2). Such notice shall include the names and qualifications of potential arbitrators chosen by the Tribunal from a list of available arbitrators obtained from the American Arbitration Association or such similar organization as the Tribunal shall select.

"(B) SELECTION OF ARBITRATION PANEL.----Not later than 10 days after publication of the notice initiating an arbitration proceeding, and in accordance with procedures to be specified by the Copyright Royalty Tribunal, one arbitrator shall be selected from the published list by copyright owners who claim to be entitled to royalty fees under subsection (b)(4) and who are not party to a voluntary agreement filed with the Copyright Office in accordance with paragraph (2), and one arbitrator shall be selected from the published list by satellite carriers and distributors who are not parties to such a voluntary agreement. The two arbitrators so selected shall, within 10 days after their selection, choose a third arbitrator from the same list, who shall serve as chairperson of the arbitrators. If either groups fail to agree upon the selection of an arbitrator, or if the arbitrators selected by such groups fail to agree upon the selection of a chairperson, the Copyright Royalty Tribunal shall promptly select the arbitrator or chairperson, respectively. The arbitrators selected under this subparagraph shall constitute an Arbitration Panel.

"(C) ARBITRATION PROCEEDING.----The Arbitration Panel shall conduct an arbitration proceeding in accordance with such procedures as it may adopt. The Panel shall act on the basis of a fully documented written record. Any copyright owner who claims to be entitled to royalty fees under subsection (b)(4), any satellite carrier, and any distributor, who is not party to a voluntary agreement filed

with the Copyright Office in accordance with paragraph (2), may submit relevant information and proposals to the Panel. The parties to the proceeding shall bear the entire cost thereof in such manner and proportion as the Panel shall direct.

"(D) FACTORS FOR DETERMINING ROYALTY FEES.----In determining royalty fees under this paragraph, the Arbitration Panel shall consider the approximate average cost to a cable system for the right to secondary transmit to the public a primary transmission made by a broadcast station, the fee established under any voluntary agreement filed with the Copyright Office in accordance with paragraph (2), and the last fee proposed by the parties, before proceedings under this paragraph, for the secondary transmission of superstations or network stations for private home viewing. The fee shall also be calculated to achieve the following objectives.

"(i) To maximize the availability of creative works to the public.

"(ii) To afford the copyright owner a fair return for his or her creative work and the copyright user a fair income under existing economic conditions.

"(iii) to reflect the relative roles of the copyright owner and the copyright user in the product made available to the public with respect to relative creative contribution, technological contribution, capital investment, cost, risk, and contribution to the opening of new markets for creative expression and media for their communication.

"(iv) to minimize any disruptive impact on the structure of the industries involved and on generally prevailing industry practices.

"(E) REPORT TO COPYRIGHT ROYALTY TRIBUNAL.----Not later than 60 days after publication of the notice initiating an arbitration proceeding, the Arbitration Panel shall report to the Copyright Royalty Tribunal its determination concerning the royalty fee. Such report shall be accompanied by the written record, and shall set forth the facts that the Panel found relevant to its determination and the reasons why its determination is consistent with the criteria set forth in subparagraph (D).

"(F) ACTION BY COPYRIGHT ROYALTY TRIBUNAL.----Within 60 days after receiving the report of the Arbitration Panel under subparagraph (E), the Copyright Royalty Tribunal shall adopt or reject the determination of the Panel. The Tribunal shall adopt the determination of the Panel unless the Tribunal finds that the determination is clearly inconsistent with the criteria set forth in subparagraph (D). If the Tribunal rejects the determination of the Panel, the Tribunal shall, before the end of that 60--day period, and after full examination of the record created in the arbitration proceeding, issue an order, consistent with the criteria set forth in subparagraph (D), setting the royalty fee under this paragraph. The Tribunal shall cause to be published in the Federal Register the determination of the Panel, and the decision of the Tribunal with respect to the determination (including any order issued under the under the preceding sentence). The Tribunal shall also publicize such determination and decision in such other manner as the Tribunal considers appropriate. The Tribunal shall also make the report of the Arbitration Panel and the accompanying record available for public inspection and copying.

"(G) PERIOD DURING WHICH DECISION OF PANEL OR ORDER OF THE TRIBUNAL EFFECTIVE.----The obligation to pay the royalty fee established under a determination of the Arbitration Panel which is confirmed by the Copyright Royalty Tribunal in accordance with this paragraph, or established by any order issued under subparagraph (F), shall become effective on the date when the decision of the Tribunal is published in the Federal Register under subparagraph (F), and shall remain in effect until modified in accordance with paragraph (4), or until December 31, 1994.

"(H) PERSONS SUBJECT TO ROYALTY FEE.----The royalty fee adopted or ordered under subparagraph (F) shall be binding of all satellite carriers, distributors, and copyright owners, who are not party to a voluntary agreement filed with the Copyright Office under paragraph (2).

"(4) JUDICIAL REVIEW.----Any decision of the Copyright Royalty Tribunal under paragraph (3) with respect to a determination of the Arbitration Panel may be appealed, by any aggrieved party who would be bound by the determination, to the United States Court of Appeals for the District of Columbia Circuit, within 30 days after the publication

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of the decision in the Federal Register. The pendency of an appeal under this paragraph shall not relieve satellite carriers of the obligation under subsection (b)(1) to deposit the statement of account and royalty

fees specified in that subsection. The court shall have jurisdiction to modify or vacate a decision of the Tribunal only if finds, on the basis of the record before the Tribunal and the statutory criteria set forth in paragraph (3)(D), that the Arbitration Panel or the decision of the Tribunal, the court shall have jurisdiction to enter its own determination with respect to royalty fees, to order the repayment of any excess fees deposited under subsection (b)(1)(B), and to order the payment of any unpaid fees, and the interest pertaining respectively thereto, in accordance with its final judgment. The court may further vacate the decision of the Tribunal and remand the case for arbitration proceedings in accordance with paragraph (3).

"(d) DEFINITIONS.----As used in this section--

"(1) DISTRIBUTOR.----The term 'distributor' means an entity which contracts to distribute secondary transmissions from a satellite carrier and, either as a single channel or in a package with other programming, provides the secondary transmission either directly to individual subscribers for private home viewing or indirectly through other program distribution entities.

"(2) NETWORK STATION.----The term 'network station' has the meaning given that term in section 111 (f) of this title, and includes any translator station or terrestrial satellite station that rebroadcasts all or substantially all of the programming broadcast by a network station.

"(3) PRIMARY NETWORK STATION.----The term 'primary network station' means a network station that broadcasts or rebroadcasts that basis programming service of a particular national network.

"(4) PRIMARY TRANSMISSION.----The term 'primary transmission' has the meaning given that term in section 111(f) of this title.

"(5) PRIVATE HOME VIEWING.----The term 'private home viewing' means the viewing, for private use in a household by means of satellite reception equipment which is operated by an individual in that household and which serves only such household, of a secondary transmission delivered by a satellite carrier of a primary transmission of a television station licensed by the Federal Communications Commission.

"(6) SATELLITE CARRIER.----The term 'satellite carrier' means an entity that uses the facilities of a satellite of satellite service licensed by the Federal Communication Commission, to establish and operate a channel of communications for point--to--multipoint distribution of television station signals, and that owns or leases a capacity or service on a satellite in order to provide such point--to--multipoint distribution, except to the extent that such entity provided such distribution pursuant to tariff under the Communications Act of 1934, other than for private home viewing.

"(7) SECONDARY TRANSMISSION.----The term 'secondary transmission' has the meaning given that term in section 111(f) of this title.

"(8) SUBSCRIBER.----The term 'subscriber' means an individual who receives a secondary transmission service for private home viewing by means of a secondary transmission from a satellite carrier and pays a fee for the service, directly or indirectly, to the satellite carrier or to a distributor.

"(9) SUPERSTATION.----The term 'superstation' means a television broadcast station, other than a network station, licensed by the Federal Communications, Commission that is secondarily transmitted by a satellite carrier.

"(10) UNSERVED HOUSEHOLD.----The term 'unserved household', with respect to a particular television network, means a household that--

"(A) cannot receive, through the use of a conventional outdoor rooftop receiving antenna, an over--the--air signal of grade B intensity (as defined by the Federal Communications Commission) of a primary network station affiliated with that network, and

"(B) has not, within 90 days before the date on which that household subscribes, either initially or on renewal, to receive secondary transmissions by a satellite carrier of a network station affiliated with that network subscribed to a cable system that provides the signal of a primary network station affiliated with that network.

"(e) EXCLUSIVITY OF THIS SECTION WITH RESPECT TO SECONDARY TRANSMISSIONS OF BROADCAST STATIONS BY SATELLITE TO MEMBERS OF THE PUBLIC.----No provision of section 111 of this title or any other law (other than this section) shall be construed to contain any

authorization, exemptions, or license through which secondary transmissions by satellite carrier for private home viewing of programming contained in a primary transmission made by a superstation or a network station may be made without obtaining the consent of the copyright owner."

(3) Section 501 of title 17, United States Code, is amended by adding at the end the following:

"(e) With respect to any secondary transmission that is made by a satellite carrier of a primary transmission embodying the performance or display of a work and is actionable as an act of infringement under section 119(a)(5), a network station holding a copyright or other license to transmit or perform the same version of that work shall, for purposes of subsection (b) of this section, be treated as a legal or beneficial owner if such secondary transmission occurs within the local service area of that station."

(4) Section 801(b)(3) of title 17, United States Code, is amended by striking "and 116" and inserting ", 116, and 119(b)".

(5) Section 804(d) of title 17, United States Code, is amended by striking "sections 111 or 116" and inserting "section 111, 116, or 119".

(6) The table of sections at the beginning of chapter 1 of title 17, United States Code, is amended by adding at the end the following new item:

"119. Limitations on exclusive rights: Secondary transmissions of superstations and network stations for private home viewing."

SEC. 203. SYNDICATED EXCLUSIVITY; REPORT ON DISCRIMINATION.

Title VII of The Communications Act of 1934 (*47 U.S.C. 601 et seq.*) is amended by adding at the end the following:

"Syndicated Exclusivity

"Sec. 712. (a) The Federal Communications Commission shall, within 120 days after the effective date of the Satellite Home Viewer Act of 1988, initiate a combined inquiry and rulemaking proceeding for the purpose of--

"(1) determining the feasibility of imposing syndicated exclusivity rules with respect to the delivery of syndicated programming (as defined by the Commission) for private home viewing of secondary transmissions by satellite of broadcast station signals similar to the rules issued by the Commission with respect to syndicated exclusivity and cable television; and

"(2) adopting such rules if the Commission considers the imposition of such rules to be feasible.

"(b) In the event that the Commission adopts such rules, any willful and repeated secondary transmission made by a satellite carrier to the public of a primary transmission embodying the performance or display of a work which violates such Commission rules shall be subject to the remedies, sanctions, and penalties provided by title V and section 705 of this Act.

"Discrimination

"Sec. 713. The Federal Communication shall, within 1 year after the effective date of the Satellite Home Viewer Act of 1988, prepare and submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives a report on whether, and the extent to which, there exists discrimination described in section 119(a)(6) of title 17, United States Code."

SEC. 204. INQUIRY ON ENCRYPTION STANDARD.

Section 705 of the Communications Act of 1934 (*47 U.S.C. 605*) is amended by adding at the end thereof the following:

"(f) Within 6 months after the date of enactment of the Satellite Home Viewer Act of 1988, the Federal Communications Commission shall initiate an inquiry concerning the need for a universal encryption standard that permits decryption of satellite cable programming intended for private viewing. In conducting such inquiry, the Commission shall take into account--

"(1) consumer costs and benefits of any such standard, including consumer investment in equipment in

operation:

"(2) incorporation of technological enhancements, including advanced television formats;

"(3) whether any such standard would effectively prevent present and future unauthorized decryption of satellite cable programming;

"(4) the costs and benefits of any such standard on other authorized users of encrypted satellite cable programming, including cable systems and satellite master antenna television systems;

"(5) the effect of any such standard on competition in the manufacture of decryption equipment; and

"(6) the impact of the time delay associated with the Commission procedures necessary for establishment of such standards.

"(g) If the Commission finds, based on the information gathered from the inquiry required by subsection(f), that a universal encryption standard is necessary and in the public interest, the Commission shall initiate a rulemaking to establish such a standard."

SEC. 205. PRIVACY OF SATELLITE CABLE PROGRAMMING.

Section 705 of the Communications Act of 1934 (*47 U.S.C. 605*) is amended--

(1) in subsection (c)--

(A) by striking "and" at the end of paragraph (4);

(B) by striking the period at the end of paragraph (5) and inserting "; and"; and

(C) by adding at the end the following:

"(6) the term 'any person aggrieved' shall include any person with proprietary rights in the intercepted communication by wire or radio, including wholesale or retail distributors of satellite cable programming, and, in the case of a violation of paragraph (4) of subsection (d), shall also include any person engaged in the lawful manufacture, distribution, or sale of equipment necessary to authorize or receive satellite cable programming.";

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(2) in subsection (d)(1), by striking "\$ 1,000" and inserting "\$ 2,000";

(3) in paragraph (2) of subsection (d), by striking "\$ 25,000" and all that follows through the end of that paragraph and inserting "\$ 50,000" or imprisoned for not more than 2 years, or both, for the first such conviction and shall be fined not more than \$100,000 or imprisoned for not more than 5 years, or both, for any subsequent conviction."; paragraph (4) of subsection (d)" immediately after "subsection (a)";

(5) in subsection (d)(3)(B) by striking "may" the first time it appears;

(6) in subsection (d)(3)(B)(i), by inserting "may" immediately before "grant";

(7) in subsection (d)(3)(B)(ii), by inserting "may" immediately before "award";

(8) in subsection (d)(3)(B)(iii), by inserting "shall" immediately before "direct";

(9) in subsection (d)(3)(C)(i)(II)--

(A) by inserting "of subsection (a)" immediately after "violation";

(B) by striking "\$ 250" and inserting "\$ 1,000"; and

(C) by inserting immediately before the period the following "and for each violation of paragraph (4) of this subsection involved in the action an aggrieved party may recover statutory damages in a sum not less than \$10,000, or more than \$100,000, as the court considers just";

(10) in subsection (d)(3)(C)(ii), by striking "\$ 50,000" and inserting "\$ 100,000 for each violation of subsection (a)";

(11) in subsection (d)(3)(C)(iii), by striking "\$ 100" and inserting "\$ 250"; and

(12) by striking paragraph (4) of subsection (d) and inserting the following:

"(4) Any person who manufactures, assembles, modifies, imports, exports, sells, or distributes any electronic, mechanical, or other device or equipment, knowing or having reason to know that the device or equipment is primarily of assistance in the unauthorized decryption of satellite cable programming, or is intended for any other activity prohibited by subsection (a), shall be fined not more than \$500,000 for each violation, or imprisoned for not more than 5 years for each violation, or both. For purposes of all penalties and remedies established for violations of this paragraph, the prohibited activity established herein as it

applies to each such device shall be deemed a separate violations."

SEC. 206. EFFECTIVE DATE.

This title and the amendments made by this title take effect on January 1, 1989, except that the authority of the Register of Copyrights to issue regulations pursuant to section 119(b)(1) of title 17, United States Code, as added by section 202 of this Act, takes effect on the date of the enactment of this Act.

SEC. 207. TERMINATION.

This title and the amendments made by this title (other than the amendments made by section 205) cease to be effective on December 31, 1994.

The SPEAKER pro tempore. Is a second demanded?

Mr. MOORHEAD. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. KASTENMEIER] will be recognized for 20 minutes, and the gentleman from California [Mr. MOORHEAD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. KASTENMEIER].

Mr. KASTENMEIER. Mr. Speaker, I yield myself such time as I may consume.

I am pleased today to bring before the House today S. 1883, the Trademark Law Revision Act of 1988. This bill provides a comprehensive revision of the Lanham Act, which is the Federal trademark law. S. 1883 revises the trademark laws so that they will conform with current day market practices. The bill before you today is the product of extensive negotiations and compromises between both Houses of Congress, and has been agreed upon by all interested parties.

I wish to congratulate my colleague and ranking minority member of the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, CARLOS MOORHEAD, for his tireless efforts on behalf of this legislation. I extended congratulations as well to the senior Senator from Arizona, DENNIS DE CONCINI, who also provided early and unceasing support for this bill.

Trademarks are important for both consumers and business. Trademarks allow consumers to identify and intelligently pick and choose among products. Businesses can and should be assured that their products will not be confused with other products, and that consumers will know that the products they want to buy are in fact the ones that they are buying. For consumers, trademarks provide can provide assurances of quality and services. For businesses, trademarks are a kind of badge of honor, and it is important that their investment in those marks be protected.

Because the trademark laws in essence businesses to monopolize their marks, those laws often raise difficult questions about freedom of speech. During the course of our consideration of this legislation, those difficult issues were raised and sometimes hotly contested. I am pleased to say that this bill resolves those issues satisfactorily, and that our important constitutional freedoms have been preserved. The provisions on dilution, material omissions, and tarnishment and disparagement that were originally proposed have been deleted from this legislation. The provision revising section 43(a) to prohibit a kind of commercial defamation has been carefully limited to commercial advertising and promotion. Therefore, consumer reporting, editorial comment, political advertising, and other constitutionally protected material is not covered by this provision. I wish to extend special thanks to all of those who so ardently spoke out about their concerns about these issues.

S. 1883 makes major changes in the Lanham Act. For example, it revises the registration to permit applications based on an applicant's intention to use the mark. This is something the trademark community has advocated for many years. It reduces the registration term from 20 to 10 years, which will free up otherwise unavailable marks. It revises the Lanham Act in the many instances where it is out of date and inconsistent with current market practices.

It is true that S. 1883 does not satisfy all parties in all respects. I believe it is fair to say that the trademark

community wanted more protection for trademarks. Some of the provisions they sought have been deleted from the legislation because of the serious first amendment issues those provisions raised. I also believe, however, that the trademark community should and must be satisfied with this legislation, since it provides the comprehensive revision it sought, and that no new trademark laws will be required in the immediate future.

Consumer interests have also been the subject of compromise in this legislation. As reported by the House Committee on the Judiciary, the bill would have explicitly acknowledged that consumers have standing to sue for violations of section 43(a), which provides a cause of action for unfair competitive acts such as false and misleading advertising. The agreement, however, deleted this provision from the bill. While I support the deletion as part of the necessary compromise on this bill, it is unfortunate in the long run. I continue to believe that consumers already have standing to sue under current law, and that the provision that was deleted only clarified that law.

In sum, S. 1883 is not only an important modernization of the trademark laws, but it also protects our important first amendment rights. I believe that it is a bill worthy of your support.

S. 1883, as considered by the House today, makes important changes in the language approved by the Committee on the Judiciary. It also carries forward several critical decisions made by the committee. The following is an explanation of those changes and decisions:

Section 1

S. 1883 adds to subsection (b) the language "under circumstances showing the good faith of such person." This addition strengthens the congressional intention that the circumstances surrounding the application show that the applicant's intention to use the mark ultimately, and within the specified time limits, is in fact bona fide. Courts should consider these circumstances, or the lack of them, when issues surrounding the validity of the application are raised.

Pursuant to Section 1(d)(1), the initial period in which to file the statement of use is 6 months. It may be automatically extended for another 6 months. Section 1(d)(2) provides that any further extensions may be granted only if the applicant shows "good cause" for the extension. The extensions for good cause may not exceed periods aggregating a maximum of 24 months. In other words, applicants must show that there was good cause for their failure to use their marks within the initial one year

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period. This requirement is in addition to, and supplements, the requirement that the applicants must have a continued bona fide intention to use the mark. The Commissioner of Patents and Trademarks should promulgate guidelines for potential registrants so that it is clear what may constitute "good cause."

Section 1(d)(1) makes clear, that, in reviewing the statements submitted by the applicant pursuant to this section, the Patent and Trademark Office has the discretion to examine the effect, if any, of those statements on the application with respect to the factors set forth in subsections (a) through (e) of section 2, relating to what trademarks are not registrable. See House Report 100--1028 at 9.

Section 7(b)

This section clarifies the evidentiary benefits given to a registration on the principal register. It conforms to the same provision in section 33(a).

Section 8(a)

This section provides that a registrant filing the affidavit of use required during the sixth year of registration must supply the same information that is required for renewing a registration.

Section 10

S. 1883 prohibits the assignment of "intent to use" applications, except in certain narrowly prescribed circumstances. Although language in proposed section 7(d) regarding restrictions on the issuance of a certificate of registration under circumstances evidencing an intention to evade the law's proscription has been deleted, courts must, when appropriate, examine the circumstances surrounding use of mark and the issuance of a

certificate of registration. If the evidence shows that the relevant parties have improperly evaded the prohibition on assignments, the certificate of registration has been improperly issued and should be voided. Section 10 carries forward the Committee's decision not to include in the bill certain proposals relating to the recording of security interests in a trademark at the Patent and Trademark Office.

Section 18

The section currently provides that in proceedings before the Trademark Trial and Appeal Board, certain actions may be taken with regard to pending applications and to registrations. A proposed addition makes clear that certain final judgments involving "intent to use" applicants may not be issued until use is made and the mark is registered. This provision applies only in the context of this administrative proceeding, and not to any lawsuits in the courts.

Section 21

Language added in subsection (a)(4) is identical to that added in Section 18. It relates to the suspension of certain final judgments by the United States Court of Appeals for the Federal Circuit when a decision of the Patent and Trademark Office is appealed.

Similar language is also added so subsection (b)(1), relating to appeals from the decision of the Commissioner or Trademark Trial and Appeal Board.

As in section 18, these suspensions of final judgments relate only to administrative proceedings, and not to actions initiated in the courts.

Section 24

Language similar to that in sections 18 and 21 is added here, delaying final judgment for an "intent to use" applicant in certain instances. Again, this language relates only to administrative proceedings, and not actions initiated in the courts.

Section 27

The added language, relating to registration on the supplemental register, simply carries forward the holding in *California Cooler, Inc. v. Loretto Winery, Ltd.*, 774 F.2d 1451 (9th Cir. 1985).

Section 32(2)

This section differs from current law in two important respects. First, it is updated to include electronic media, incorporating the definition set forth in the Electronic Communications Privacy Act, codified at 18 U.S.C. 2510 (12).

Second, the revision sets forth critical constitutional protections that underline changes made in section 43(a). It exempts from liability "innocent" disseminators of offending material, whether that material constitutes a violation of Section 32(1), relating to infringement, or of proposed Section 43(a), relating to false and misleading commercial advertising. Most prominently, the [sic] relate only to administrative proceedings, and not to actions initiated in the courts.

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media, incorporating the definition set forth in the Electronic Communications Privacy Act, codified at 18 U.S.C. 2510 (12).

Second, the revision sets forth critical constitutional protections that underlie changes made in section 43(a). It exempts from liability "innocent" disseminators of offending material, whether that material constitutes a violation of Section 32(1), relating to infringement, or of proposed Section 43(a), relating to false and misleading commercial advertising. Most prominently, the change protects newspapers, magazines, broadcasters, and other media from liability for the innocent dissemination of commercial false advertising, including promotional material. The word "innocent" is intended to encompass the constitutional standards set forth in *New York Times v. Sullivan*, 376 U.S. 254 (1964) and its progeny. See also, *Bose v. Consumers Union*, 466 U.S. 485 (1984), which assumed the application of the *New York Times v. Sullivan* standard to a state product disparagement action. Cf. *Hustler Magazine v. Falwell*,-- U.S.----, 108 S.Ct. 876 (1988) (applying the *New York Times* standard in an invasion of privacy action).
Section 33(a)

This provision simply makes the language in Section 33(a) consistent with that in section 7(b). It also provides that defenses available in suits involving an incontestable registration are also available in suits involving a non--incontestable registration.

Section 33(b)

This section clarifies the evidentiary benefits given to a registration on the principal register which has become incontestable. It also provides that equitable principles may be applied in suits involving incontestable registrations.

Section 34

Subsection (a) provides that injunctions are available to prevent a violation arising under Section 43(a). For a detailed discussion of the remedies now being made applicable to Section 43(a) violations, see the discussion of section 43(a) below.

S. 1883 reflects the House Committee on the Judiciary's decision not to include certain proposed language amending subsection (b) to suspend a final judgment in favor of an "intent to use" applicant. This language would have applied to proceedings in the courts, and has been deleted for the reasons discussed in House Report 100--1028 at page 4.

Section 35

This section provides that damages may be available to a party bringing an action under section 43(a). For a detailed discussion of the remedies now being made applicable to section 43(a) violations, see the discussion of section 43(a) below.

Section 36

This section provides that a court may order the destruction of labels and similar material in cases involving a violation of section 43(a). For a detailed discussion of the remedies now being made applicable to Section 43(a) violations, see discussion of section 43(a) below.

Section 43

Subsection (a) currently covers false designations of origin and false descriptions or representations with regard to a person's own products. It has been held, however, that Section 43(a) does not cover such statements with regard to the products of another. *Bernard Food Industries v. Dietene Co.*, 415 F.2d 1279 (7th Cir. 1969), cert denied, 397 U.S. 912 (1970). To rectify this situation, it was proposed to add the words "or another person's" to section 43(a).

The proposal thus raised the issue of commercial defamation in the context of section 43(a) and, as a result, a host of constitutional problems. The proposal was not limited to commercial speech, and appeared to apply to private citizens, the news media, and business competitors alike. No scienter was required. In addition, the subsection appeared to cover false statements of opinion as well as fact.

To avoid legitimate constitutional challenge, it was necessary to carefully limit the reach of the subsection. Because section 43(a) will not provide a kind of commercial defamation action, the reach of the section

specifically extends only to false and misleading speech that is encompassed within the "commercial speech" doctrine by the United States Supreme Court. *See, e.g., Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*, 447 U.S. 557 (1980); *Virginia State Board of Pharmacy v. Virginia Citizens Consumers Council, Inc.*, 425 U.S. 748 (1976). In addition, subsection (a) will extend only to false and misleading statements of fact, *Gertz v. Robert Welch, Inc.*, 418 U.S. 323, 339--40 (1974). As noted in the discussion of section 32(2), critical constitutional protections modify the changes made in section 43(a), and certain "innocent" disseminators of material that constitutes a violation of subsection (a) are protected from liability. Thus, through section 32(2), innocent dissemination and communication of false and misleading advertising, including promotional material, by the media are excluded from the reach of section 43(a). For a defendant who is a member of the media to be found liable under section 43(a), the plaintiff must show that the defendant was not "innocent" under section 32(2) and, as noted, that state of mind must encompass the *New York Times v. Sullivan* standard.

S. 1883 is limited in another important sense. It uses the word "commercial" to describe advertising or promotion for business purposes, whether conducted by forprofit or non--profit organizations or individuals. Political advertising and promotion is political speech, and therefore not encompassed by the term "commercial." This is true whether what is being promoted is an individual candidacy for public office, or a particular political issue or point of view. It is true regardless of whether the promoter is an individual or a forprofit entity. However, if a political or other similar organization engages in business conduct incidental to its political functions, then the business conduct would be considered "commercial" and would fall within the confines of this section.

Section 34, 35, and 36 specifically provide that the remedies set forth in those sections will not apply, in appropriate form, to violations of section 43(a). Obviously, these remedies will not apply to those who are protected under section 32(2).

As Jerome Gilson, the noted trademark commentator, has written about USTA's proposal to limit the proposed change in section 43(a) to commercial speech:

"Under this proposed change *only* false or misleading "advertising or promotion"

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Would be actionable, whether it pertained to the advertiser itself or another party. The change would exclude all other misrepresentations from section 43(a) coverage. These others are the type which raise free speech concerns, such as a Consumer Report which reviews and may disparage the quality of stereo speakers or other products, misrepresentations made by interested groups which may arguably disparage a company and its products because of the company's failure to divest its South African holdings, and disparaging statements made by commentators concerning corporate product liability and injuries to the public (e.g., A.H. Robins and the Dalkon shield cases, or the Manville Corporation asbestos cases). All of these would be judged by first amendment law (including *New York Times v. Sullivan*) and not section 43(a) law ...Product disparagement based on false representations would be actionable only if they were made in the context of advertising or promotion, not in connection with Consumer Report publications." [emphasis in original]n1

As Mr. Gilson correctly notes, the proposed change in section 43(a) should not be read in any way to limit political speech, consumer or editorial comment, parodies, satires, or other constitutionally protected material. Nor should it be read to change the standards in current law with respect to comparative advertising, which assists consumers in choosing among various competing products. The section is narrowly drafted to encompass only clearly false and misleading commercial speech.

The provision in section 43(a) granting consumers standing to sue has been deleted from the bill. This provision would have clarified that consumers have standing to sue under section 43(a). The plain meaning of the statute already includes consumers, since it grants any "person" the right to sue. See discussion in House Report 100--1028 at 13--15.

The committee's decision not to include proposed provisions relating to dilution, material omissions, and tarnishment and disparagement in section 43 is carried forward. By this decision, current law remains in effect.

Section 34, 35, and 36 of the Lanham Act now apply only to the enforcement of rights relating to a registered mark. Section 43(a), relating to the enforcement of rights by the owner of a unregistered mark or a

person otherwise adjudicating rights under that section, does not provide for any remedies.

A majority of Federal courts have already held that Section 35(a) applies to cases brought under Section 43(a) even though those cases do not involve the enforcement of rights in registered marks.ⁿ² This result is somewhat surprising in light of Section 35's clear limitation to violations of a right in a registered mark.ⁿ³

To clarify the situation, S. 1883 authorizes, but does not require,ⁿ⁴ the application of all of the remedies set forth in sections 34, 35, and 36 to the violation of rights involving unregistered marks. The bill specifically incorporates section 35's language limiting the court's remedial power pursuant to the principles of equity. Courts must, on a case-by-case basis, assess the exact nature of the circumstances presented by the plaintiff.ⁿ⁵

Historically, courts have rarely assessed damages or awarded lost profits in trademark cases unless the defendant has engaged in counterfeiting.ⁿ⁶ Injunctions have been the usual form of relief. According to the Second Circuit in a recent opinion:

[S]ection 35's phrase "subject to the principles of equity [should be construed] to preclude any monetary relief 'where an injunction will satisfy the equities of the case' and where there has been no showing of fraud or palming off [citations omitted].ⁿ⁷

Courts have assessed enhanced damages even more rarely.ⁿ⁸

Section 29 of the Lanham Act currently requires that a plaintiff who has registered a mark is precluded from recovering damages and profits unless he or she has provided either statutory or actual notice of registration to the defendant. S. 1883 does not specifically require a plaintiff proceeding under Section 43(a), and who does not have a registered mark, to provide such notice before recovering damages or profits. However, as part of the equitable balancing process in a Section 43(a) case, the courts should examine the extent of knowledge that the defendant had of the plaintiff's rights. By not requiring notice in a section 43(a) action, it may initially appear that S. 1883 creates an unfair discrepancy between actions involving registered marks and the those involving unregistered marks. However, as noted above damages are rarely awarded in the vast majority of section 43(a) actions. Where damages are awarded, it is because the defendant has acted with obvious awareness of the plaintiff's rights, engaging in deliberate, willful conduct such as "passing off." Thus, the discrepancy is more apparent than real.

Section 35 currently, and as now extended to section 43(a), clearly precludes the courts from assessing punitive damages.ⁿ⁹ In addition, Section 35 authorizes the assessment of attorneys' fees only in "exceptional circumstances." The language, in conjunction with judicial decisions, permits the assessment of attorneys' fees only upon a showing of bad faith or similar intentional conduct.ⁿ¹⁰ Such fees may be awarded to either the plaintiff or the defendant, depending on the conduct of the parties that gave rise to the litigation.

Section 34 currently authorizes the courts to issue injunctions in Lanham Act cases.ⁿ¹¹ Under the proposed revision, Section 34 would be extended to Section 43(a) violations. As in current law, courts must follow the general rules set forth in the Federal Rules of Civil Procedure.ⁿ¹² The most important prerequisite to the issuance of a final injunction is the absence of an adequate legal remedy.ⁿ¹³ The party seeking a preliminary injunction must also prove the likelihood of irreparable injury viewed in the context of the threat of potential harm, the probability of success on the merits, that the balance of hardships tips in favor of the moving party, and that issuance of an injunction is in the public interest.ⁿ¹⁴

Mr. Speaker, I have some brief thoughts about title II of the bill, which is identical to H.R. 2848, passed by the House 2 weeks ago.

H.R. 2848---the Satellite Home Viewer Act of 1988---was made a part of S. 1883 to accommodate several key Members in the other body.

As you know, the Earth station/copyright legislation that you and I started working on several years ago has become a very popular piece of legislation. We improved it in the House Judiciary Committee. The Committee on Energy and Commerce, with its sequential referral, improved it more. The bill has garnered so much support in both the House and the other body, and among interested parties---spanning consumer interests, copyright proprietors and others in the telecommunications industry---that its passage by the Senate, without referral to committee, was made possible. Specifically, several key Senators---including the chairman of the Senate Judiciary Subcommittee on Patents, Trademarks and Copyrights [Mr. DE. CONCINI] and the chairman of the Senate Judiciary Subcommittee on Law and Technology [Mr. LEAHY] and

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Senator HATCH made a proposal to the House. If we could accommodate the Senate on one of its priorities---- the Trademark Law Revision Act----we could link the bills and send them to the President in the same package. Senator DE CONCINI's subcommittee would forego hearings on the Satellite Home Viewer Act and the Senate would defer to the House entirely on the issue.

Following up on this proposal, my subcommittee and Senator DE. CONCINI's subcommittee, with valuable input from the minority, engaged in extensive negotiations to achieve a compromise on the trademark law revisions. We achieved such a compromise, that was not only agreeable to the subcommittees but also to the administration and the U.S. Trademark Association as well.

To bring title II to the House floor again has required a bipartisan effort spanning two House committees. I thank the ranking minority member [Mr. MOORHEAD] for his efforts. I would also like to reiterate the efforts of three other subcommittee members who have worked very hard on the legislation. They are Mr. BOUCHER, Mr. SYNAR, and Mr. BRYANT. All of these Members are on the House Committee on Energy and Commerce, and assisted in ensuring forward movement of the Earth station bill. In addition, I very much appreciate the efforts of the chairman of our sister Commerce Committee subcommittee, Mr. MARKEY. The Earth station bill would not have initially passed and would not be before us today if it were not for the close working relationship of our two subcommittees and the respect that we have for each other's work. Last, and certainly not least, I would like to thank the chairman of the Committee on Energy and Commerce, Mr. DINGELL, for his cooperation and support.

Mr. MOORHEAD. Mr. Speaker, I yield myself such time as I may consume.

(Mr. MOORHEAD asked and was given permission to revise and extend his remarks.)

Mr. MOORHEAD. Mr. Speaker, I rise in support of S. 1883 and would like to ask the gentleman from Wisconsin [Mr. KASTENMEIER], a question regarding the amendment to the bill incorporating title II.

I believe that title II----entitled the "Satellite Home Viewer Act of 1988"----is exactly the same as the text of H.R. 2848, previously passed by the House by voice vote on October 5, 1988. Could the gentleman briefly explain the title II amendment and indicate why it is made a part of S. 1883?

Mr. KASTENMEIER. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD. Mr. Speaker, I yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. Mr. Speaker, the gentleman is completely correct about contents of title II, identical to H.R. 2848, passed by the House 2 weeks ago.

The Satellite Home Viewer Act of 1988 was made a part of this bill essentially as an accommodation to several key Members in the other body. I have been assured after we pass the bill before us, it will be acceptable to the other body and will be passed without amendment and sent directly to the President for his signature.

With the trademark compromise in hand, all we need to do is link the two pieces of the puzzle together and the result is a two----title bill before us today.

One further thought, in order to provide a clear legislative history for Earth station legislation, I must make reference to the House Report, No. 100--887, parts I and II compiled by the House Committee on the Judiciary and the House Committee on Energy and Commerce. I refer back to the debate that occurred on the House floor on October 5, 1988, when we first passed the Satellite Home Viewer Act of 1988. These legislative materials will remain an integral part of the bill's legislative history.

Mr. MOORHEAD. I agree with the explanation of the gentleman from Wisconsin. I would like to add the name of the ranking minority Member of the Subcommittee on Telecommunications and Finance, the gentleman from New Jersey [Mr. RINALDO], to the list of Members we thank.

Last, I would reiterate to the other body that this is a package that we have put together to accommodate the key Senators. Once it arrives in the Senate, the 2--part package cannot be amended with nongermane amendments and then sent back to the House for further consideration. The bill will die if this occurs.

The version of trademark law revision now before us, is dramatically different from the version of the bill considered by the House Judiciary Committee, H.R. 5372. Unlike that bill, this legislation more closely reflects the comprehensive approach to trademark law revision envisioned by S. 1883, which passed the other body last

May, and H.R. 4156, the bill I introduced in the House. The legislation before us reflects a compromise and I believe that it enjoys the wide consensus of support that developed around the legislation I introduced. The legislation contains an intent-to-use application system which responds to the needs of American businesses. It balances their need for greater certainty in the marketplace with significant safeguards against abuse. It is consistent with our obligations under the Paris Convention, and at the same, time, it eliminates the advantage foreign companies enjoy in applying for U.S. trademark rights. It also replaces the commercial "sham" of token use with a reasonable, workable alternative that preserves the integrity of U.S. trademark law.

A second major element of this legislation is its modernization of section 43(a) of the Lanham Act. Over the past 42 years, section 43(a) has evolved into a Federal law of unfair competition and now serves as a valuable tool for dealing with false advertising. This legislation codifies what the courts are now interpreting section 45(a) to mean and logically extends it to provide that false advertising statements a person makes about another person's goods or services are as actionable as false statements a person makes about his or her own products or services. I would like to make clear that sec. 43(a) should not be construed to preempt State unfair competition laws.

It also assures that appropriate remedies are available under the section by amending the statute to specifically provide that the remedies of injunctive relief, monetary awards and destruction orders are available in actions brought under section 43(a). Here again, this is not an expansion of the law, but merely a codification of what the courts are now doing.

For example, seven circuits now hold that monetary relief is available in certain circumstances.

A third element of this legislation is its revisions to the Lanham Act which eliminate "deadwood" trademarks from the register. It reduces the term of registration from 20 to 10 years, it increases the requirements trademark owners must meet in order to maintain their rights and it strengthens the Lanham Act's definition of use in commerce.

The legislation contains many other worthwhile provisions as well and none have sparked any controversy.

There are two major provisions not contained in this legislation which I would like to briefly comment on. Unlike the bill I introduced and the Senate---passed bill, this version of S. 1883 does not include a provision protecting famous distinctive marks from uses by others which will dilute these famous mark's distinctive value and it does not include a provision for a centralized system governing the creation and enforcement of security interests in trademarks.

In conclusion, the version of S. 1883 now before us accomplishes most of what we set out to do when we undertook consideration of trademark law revision earlier this year. Its enactment will represent a major achievement of the 100th Congress, and I urge its adoption.

Mr. KASTENMEIER. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahmla [sic] [Mr. SYNAR] who has been both a great help on the trademark bill, and particularly on the Satellite Home Viewer Act of 1988, played a crucial role in the Committee on Energy and Commerce and the Committee on the Judiciary, making sure

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that that met the test and passed the House.

(Mr. SYNAR asked and was given permission to revise and extend his remarks.)

Mr. SYNAR. Mr. Speaker, let me join in this chorus of approval for this bill which we have before us today. I am particularly interested in title II of S. 1883, because it is also a product of 3 years of negotiation and compromises with a variety of groups, including the cable and movie industries, the backyard dishoners, program distributors, networks and their affiliates, as well as independent stations.

None of these organizations now oppose the bill. As the chairman pointed out, this passed the Committee on Energy and Commerce on which I serve, as well as the Committee on the Judiciary, by voice vote.

Title II of this bill will put dishowners on the same footing as the cable subscribers for the receipt of superstation signals.

A recent court decision has suggested it may be in violation of our copyright laws in this country for satellite carriers to retransmit those signals to home dishowners. The bill creates a temporary compulsory license that expires in 6 years. After 4 years the statutory rate expires and the royalty rate is established by binding arbitration.

It insures the network signals will be available to dishowners in so-called "white area." The Federal Communications Commission is given the authority to impose syndicated exclusivity on independent signals if it is feasible.

Mr. Speaker, I want to thank the chairman of the subcommittee, the gentleman from Wisconsin [Mr. KASTENMEIER], the gentleman from Virginia [Mr. BOUCHER], the gentleman from Massachusetts [Mr. MARKEY], and the gentleman from Louisiana [Mr. TAUZIN] for their outstanding service in this area, particularly my dear friends, the gentleman from California, [Mr. MOORHEAD] who has assisted us as this title has journeyed through both the Committee on Energy and Commerce and the Committee on the Judiciary.

Mr. MOORHEAD. Mr. Speaker, I yield such time as he may consumer to the gentleman from New York [Mr. FISH].

(Mr. Fish asked and was given permission to revise and extend his remarks, and include extraneous matter.)

Mr. FISH. Mr. Speaker, as an original cosponsor of the Trademark Law Revision Act, as introduced by the gentleman from California [Mr. MOORHEAD], I am very pleased with the revised version of S. 1883 that the gentleman from Wisconsin [Mr. KASTENMEIER] has brought to the floor. I was very disappointed by the version of this legislation reported by the subcommittee and this revised bill is a substantial improvement. It retains most of the essential elements found in H.R. 4156 as introduced and should therefore be very well--received by the trademark community and by trademark practitioners.

The list of organizations that have gone on record in support of the Trademark Law Revision Act, as introduced and as passed by the Senate is one of the most impressive I have seen in many years and therefore, submit that list for inclusion in the Record. In addition, although the administration opposed the reported version of H.R. 5372, I am confident that it will be able to support the revised bill. I believe it will also gain the acceptance of the other body.

I would like to comment on one provision which was taken out of H.R. 5372 which was reported by the Judiciary Committee and which is not found in this compromise. It would have provided consumers with standing to sue under section 43(a) of the Lanham Act. This provision, which had not been studied or evaluated by anyone for its long--term effects on Federal unfair competition law, would have radically altered the nature of the Lanham Act and would have had

the likely effect of turning the Federal courts into a small claims court.

I urge a favorable vote for S. 1883.

SUPPORTERS OF THE TRADEMARK LAW REVISION ACT (S. 1883; H.R. 4156)

(This list is based on correspondence received by the United States Trademark Association; it does not purport to be complete)

INDUSTRY, TRADE AND LABOR ORGANIZATIONS

Chamber of Commerce of the United States, Chemical Manufacturers Association, Intellectual Property Owners, Inc., International Ladies' Garment Workers' Union, International Franchise Association, International Union, UAW.

National Association of Manufacturers Association, Union Label & Service Trade Department AFL--CIO, The United States Trademark Association.

BAR ASSOCIATIONS

American Bar Association----PTC Law Section, American Intellectual Property Law Association, Austin Patent Law Association, California Bar Association, Chicago Bar Association, Colorado Bar Association.

Connecticut Patent Law Association, Licensing Executives Society USA/Canada, Association of the Bar of New York City, New York County Lawyers' Association, The New York Patent, Trademark and Copyright Law Association, Philadelphia Patent Law Association, Utah State Bar.

GOVERNMENT

U.S. Department of Commerce, U.S. Patent and Trademark Office. CORPORATIONS

Air Products and Chemicals, Inc.; Alcon Laboratories, Inc.; American Cyanamid Company; Amoco Corporation; Apple Computer, Inc.; Ashland Petroleum Company; Becton Dickinson and Company; BP America Inc.; Calvin Klein Cosmetics Corporation; Chevron Corporation.

Control Data Corporation; The Walt Disney Company; The Dow Chemical Company; Dr. Pepper Company; Eastman Kodak Company; Eaton Corporation; Eli Lilly and Company; Exxon Corporation; Frito--Lay, Inc.; GameTime.

General Electric Company; Hasbro, Inc.; H.J. Heinz Company; Hewlett--Packard Company; Hillenbrand Industries, Inc.; Hilton Hotels Corporation; Jockey International, Inc.; Kenner Products; Kimberly--Clark Corporation; Kentucky Fried Chicken Corporation.

Kraft, Inc.; McDonnell Douglas Corporation; McIlhenny Inc.; Mack Trucks, Inc.; Mars Incorporated; Miles Laboratories, Inc.; Mrs. Fields Inc.; National Gypsum Company; Nestle Foods Corporation; Ocean Spray Cranberries, Inc.

Opryland USA, Inc.; Owens--Corning Fiberglas Corporation; PepsiCo, Inc.; Phillips Petroleum Company; Pioneer Hi--Bred International Inc.; Pitney Bowes; Pizza Hut, Inc.; Playtex, Inc.; PPG Industries, Inc.; A.H. Robins Company.

Scott Paper Company; Selame Design; The ServiceMaster Company; The Seven--Up Company; Schering--Plough Corporation; SmithKline Beckman Corporation; Sterling Drug Inc.; Taco Bell; Thomson and Thomson, Inc.; Weight Watchers International; United Technologies; White Consolidated Industries, Inc.; Xerox Corporation.

INDIVIDUALS AND LAW FIRMS

Miles J. Alexnader (Kilpatrick & Cody); Louis Altman (Laff, Whitesel, Conte & Saret); Andrew Belansky (Christie, Parker & Hale); Birch, Stewart, Kolasch & Birch (Law Offices); Donald W. Canady, Esq.; Charles S. Cotropia, Esq. (Richards, Harris, Medlock & Andrews); Foley & Lardner; Alvin Fross, Esq. (Weiss Dawid Fross Zelnick & Lehrman, P.C.)

Michael A. Grow (Ward Lazarus & Grow); Hamilton, Brook, Smith & Reynolds; Thomas M.S. Hemnes (Foley Hoag & Eliot); Donald O. Jackson, Esq.; Jones, Day, Reavis & Pogue; Sheldon H. Klein (Ward Lazarus & Grow); Ladas & Perry; Laff, Whitesel, Conte, Saret.

John T. Lanahan (Ward Lazarus & Grow); George; L. Little, Jr. (Petree Stockton & Robinson); Philip Mallinckrodt (Mallinckrodt & Mallinckrodt); Alfred M. Marks, Esq. (Brumbaugh, Graves, Donohue & Raymond); Mason Mason & Associates; Malcolm McCaleb, Jr., Esq.; James A. Mitchell (Price, Heneveld, Cooper, DeWitt & Litton); George B. Newitt, Esq. (Allegretti & Witcoff, Ltd.)

Vincent N. Pallidino, Esq. (Fish & Neave); Matthew H. Patton (Kilpatrick & Cody); Beverly W. Pattishall (Pattishall, McAuliffe, Newbury, Hilliard & Geraldson); Eve W. Paul (Planned Parenthood Federation of America, Inc.); Sydelle Pittas (Gaston & Snow); Albert Robin (Robin Blecker & Daley); Bruce A. Tassan, Esq. (Dickinson, Wright, Moon, Van Dusen & Freeman); Townsend & Townsend; Ross, Howison, Clapp & Korn; Richard Wallen (Harris, Kern, Wallen & Tinsley); H. Ross Workman (Workman, Nydegger & Jensen).

[Remainder of debate on Satellite Transmission Act OMITTED]

[The following material is excerpted from the Congressional Record (Daily Ed.) for October 20, 1988, beginning at page S16971]

[Second Senate Debate on the Trademark Law Revision Act of 1988]

(October 20, 1988)

REGISTRATION AND PROTECTION OF TRADEMARKS

Mr. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1883.

The PRESIDING OFFICER (Mr. SIMON) laid before the Senate the amendment of the House of Representatives of the bill (S. 1883) to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes."

(The amendment of the House is printed in the Record of October 19, 1988, beginning at page H 10411.)

Mr. HOLLINGS. Mr. President, I want to take a moment to speak in support of H.R. 2848, the Satellite Home Viewer Act of 1988, which is title II of S. 1883, the bill before us today. In 1984, when we passed the Cable Telecommunications Act, we included a provision regarding the reception of satellite programming by home dish users. Since then, many programmers have scrambled their signals. This has caused numerous legal and policy problems, both in the areas of communications and copyright. H.R. 2848 addresses many of these problems, and while I believe some of its provisions could be improved, I believe that over all it is a good measure that should be enacted into law.

The Senate Commerce Committee has held numerous hearings on the effects of scrambling satellite--delivered programming. As a result, the committee reported Senator Gore's legislation, S. 889, which is pending on the calendar. This legislation seeks to address problems concerning access to this scrambled programming, the price of such programming, and the standard for the equipment used to decode the scrambled signals.

H.R. 2848 addresses many of the same problems the Commerce Committee addressed in S. 889. It requires

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the FCC to determine whether to establish a standard for decoding equipment. This will help ensure that home

dish users do not spend large sums of money only to find that the equipment is soon out of date. This bill also imposes increased penalties on people who illegally intercept scrambled programming. The piracy problem is certainly severe. It seems that every few weeks we hear of another incident where the police have caught a group of "satellite pirates." This must stop, and I believe these increased penalties will certainly help. Finally, this legislation requires the FCC to report to us on any discrimination by those who retransmit television signals via satellite to home dish users. Such a study will help ensure that marketplace is working fairly.

H.R. 2848 also corrects certain copyright problems. These are more in the domain of my Judiciary Committee colleagues, but they do have important communications policy effects. They are thus of great concern to the Commerce Committee. By amending the copyright laws to give home dish users the ability to receive retransmitted television signals, we are increasing the number of information sources that people can receive and helping the communications industry grow. These are important results.

For all these reasons, I believe H.R. 2848 deserves our support, and I urge that we act on it immediately.

Mr. DANFORTH. Mr. President, today the Senate is considering legislation that will help bring television signals to rural Americans.

This legislation creates an interim statutory license for satellite carriers to retransmit television signals to home satellite dish owners for private viewing. That means that home dish owners will have more access to satellite--delivered video programming.

This legislation is particularly important to dish owners who live in rural areas, and who have limited access to broadcast signals. It will help to bring signals to remote "white areas" where network signals cannot be received. At the same time, the bill protects the network--affiliate distribution system that has served local communities so well.

The Federal Communications Commission [FCC] is directed by this legislation to determine whether it is feasible to extend its syndicated exclusivity rules to the satellite carriage of broadcast signals. The FCC has, and would continue to have, the responsibility of administering and syndicated exclusivity rules. Violations of any

such syndicated exclusivity rules would be violations of the Communications Act, and subject to the sanctions and penalties of that act. The FCC is also required by this legislation to report on whether, and the extent to which, there exists unlawful discrimination against distributor of secondary transmissions from satellite carriers. The FCC must also begin an inquiry to determine whether there is a need for a universal scrambling standard for satellite cable programming intended for private viewing by home dish owners.

The rampant problem of "piracy" of satellite signals is also addressed by this legislation. "Piracy" is the use of illicit descrambling technology to intercept scrambled programming without the authorization of the programmer or payment for the programming. Civil and criminal penalties for piracy are stiffened by this bill. Those who manufacture, assemble or modify unauthorized descramblers will be subject to fines of up to \$500,000 and imprisonment of up to 5 years. Legitimate descrambler manufacturers and distributors are permitted to bring law suits against programming pirates under this legislation.

The product of considerable negotiation and compromise, the statutory copyright and piracy provisions of this legislation have widespread support in the communications industry. That is an unusual accomplishment. I urge my colleagues to support this legislation.

Mr. DECONCINI. Senator Hatch and I, as ranking member and chairman of the Subcommittee on Patents, Copyrights, and Trademarks, are extremely pleased Congress is taking final action on S. 1883 so that this important bill can reach President Reagan's desk and be signed into law. S. 1883 is the most significant piece of trademark legislation to come before Congress in over four decades. It was approved by the Senate in May of this year by unanimous consent and with bipartisan support. It is before us again, having passed the House. The House significantly revised our version before passage, and we would like to comment briefly on some of those changes.

We introduced S. 1883 because we felt it was important to revise and update the 42--year--old Federal trademark statute, the Lanham Act. We were concerned that existing law could no longer keep pace with societal changes and modern commercial realities. As passed by the Senate, S. 1883 accomplished six major objectives aimed at modernizing Federal trademark law.

First, S. 1883 permitted a trademark applicant to file a trademark registration application on the basis of the applicant's

bona fide intent to sue the mark in commerce. This provision would eliminate potential problems and sometimes futile expenditures faced by applicants under the existing preapplication use in commerce requirement. Moreover, it would harmonize United States trademark law with laws of other countries, such as Canada and Great Britain, that have already converted to an intent to use system. This change would eliminate preferential treatment of foreign trademark applicants who are currently exempted from the use in commerce requirement. Under S. 1883, all trademark applicants, both foreign and domestic, would be subject to the same application standards.

The second objective of S. 1883 was to remove from the Federal register "deadwood," or marks that are not in commercial use. This bill would accomplish this goal by redefining the meaning of use to a stricter standard, by shortening the term of registration from 20 to 10 years, and by increasing the requirements trademark owners must meet in order to maintain their registrations.

A third objective of the Senate passed version was protection of truly famous trademarks from dilution, which is unauthorized use that diminishes the distinctive quality of a mark. This was accomplished by the addition of a narrow Federal cause of action which is important because it would establish a national standard for the protection of famous marks. Currently, only 23 states have dilution laws. This creates a "patchwork" type of protection that does not satisfactorily protect the tremendous value of famous marks.

The remaining three objectives of S. 1883 were the creation of a Federal system governing trademark security interests; revision of section 43(a) of the Lanham Act, which has evolved into a Federal unfair competition statute, so that the language reflects federal court interpretation; and finally, clarification and modification of many Lanham Act provisions to facilitate the act's uniform interpretation.

As S. 1883 emerged from the House, it is a somewhat different bill than what the Senate sent over. Although the House passed version is still a strong and valuable piece of legislation, we feel that it is important to comment on and clarify some of the House Changes.

We are particularly disappointed by the House's decision to eliminate the Federal dilution cause of action.

Although this was a somewhat controversial issue, the Senate had worked hard to come up with a carefully crafted compromise that we thought would be acceptable to all. By eliminating this section, the Federal Government loses the opportunity to provide guidance to those States that have dilution laws, and to create greater certainty in this area.

Just as important, the dilution provision would have aided U.S. delegates at the General Agreement on Tariffs and Trade negotiations. Currently, foreign countries can resist U.S. requests to provide higher international protection standards for intellectual property by pointing out that the United States provides little or no dilution protection. The dilution provision in S. 1883 would have demonstrated that we are willing to give the same level of protection we are asking other countries to provide.

Dilution is an important, developing area of the law. Eliminating this provision from the legislation will not eliminate

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the accompanying problems; they merely will have to be addressed in the future.

The second major trademark law revision not contained in the House--passed version is the provision for a centralized trademark security interest system. The security interest provision included in the Senate--passed version encountered no opposition and was endorsed by the American Bankers Association. We are very disappointed by this omission and ask that the House reconsider this important issue in the next Congress.

We would like to make clear that the only implications of the House's failure to include these provisions is that time prevented us from reaching a consensus on specific statutory language. There should be no inference about the principles or objectives these provisions addressed and were intended to achieve.

Several of the remaining objectives of this legislation underwent significant revision in the House. The intent--to--use provisions were revised both technically and substantively. Unlike the Senate--passed bill, the House version provides for a second examination of the intent--to--use application after the applicant submits a statement of use. The Senate did not include this provision because we wanted to assure that once the Patent and Trademark Office [PTO] conditionally approved registration, the applicant would have the needed certainty to invest in actual use of the mark without fear that the PTO might reverse its earlier approval of the mark for registration.

The Senate recognizes that there may be limited situations in which the PTO can consider some registration issues only after use is made. The House bill provides for a second examination to accommodate these rare occasions, and only in these situations will a second examination be allowed. If the issue can be addressed during the first examination, clearly it must be addressed then. The PTO cannot be given the opportunity to reverse its conditional approval of a mark's registrability on the basis of facts that could have been---that should have been---looked at during the first examination.

Other changes in the intent--to--use system include reducing the amount of time a trademark applicant will have to make use of the mark to just 3 years instead of 4. Furthermore, the House added a "good cause" requirement the applicant must meet in order to obtain the last four 6--months extensions.

Once the intent--to--use system is in place, Congress must carefully monitor the effect the House changes have on both applicants and the PTO. If the changes serve to reduce the certainty the intent--to--use system is meant to provide, or prove burdensome to either applicants or the PTO, Congress should expeditiously consider revising the system so it can meet its stated objectives.

Two other House revised provisions that deserve special mention are the revised definitions of "use in commerce" and "abandonment of mark" which appear in the House--passed bill. The House amended these definitions to assure that the commercial sham of "token use"----which becomes unnecessary under the intent--to--use application system we designed-- would actually be eliminated. In doing so, however, Congress' intent that the revised definition still encompass genuine, but less traditional, trademark uses must be made clear. For example, such uses as clinical shipments of a new drug awaiting FDA approval, test marketing, or infrequent sales of larger or expensive or seasonal products, reflect legitimate trademark uses in the normal course of trade and are not to be excluded by the House language.

Finally, we would like to address the revisions the House made to the provisions amending section 43(a) of the Lanham Act. Although it is clear that false advertising is not protected free speech, there was some concern

on the House side that a provision creating a civil remedy for those who may be damaged by false advertising could run into serious first amendment problems. This concern was thoroughly scrutinized and extensive legal research was conducted to investigate all aspects of the envisioned problems. Although the Senate did not share in this concern, we were willing to agree to certain changes in order to eliminate House fears.

The revised language of section 43(a) includes a reference to misrepresentation made about another's goods or services in "commercial" advertising or promotions. In limiting the language in this way, the word "commercial" is intended only to eliminate any possibility that the section might be applied to political speech. Although the Senate sees this language as unnecessary because section 43(a) requires that the misrepresentations be made with respect to goods or services, we consider inclusion of the language harmless so long as Congress' intent that it be interpreted only as excluding political speech is clear. It is also Congress' intent that the "commercial" language be applicable any time there is a misrepresentation relating to goods or services. Therefore, even though they are not commercial enterprises, nonprofit organizations would be as liable for misrepresentations as profit organizations.

Also in the context of revision 43(a), the House revised 32(2) of the Lanham Act. This revision makes it clear that those in the broadcast industry are to be treated the same as those in the print media and publishing industries with respect to innocent infringement of trademark rights. This section also specifically extends the innocent infringement language of 32(2) of acts that violate 43(a) of the act.

Last, with respect to the revision of section 43(a) of the Lanham Act, it is important to clarify that, in revising section 43(a), Congress does not intend to preempt remedies otherwise available under the Lanham Act, State, or common law. A provision to this effect was contained in the version of S. 1883 we passed last May, but it does not appear in the version approved by the House. It is critical, therefore, that this point be made in the legislative history.

In sum, S. 1883 is a good and important bill that will modernize U.S. trademark laws so they more accurately reflect modern realities, and align with trademark laws of other countries. This bill is also important as a fine example of how a dedicated bipartisan effort can accomplish worthwhile goals. We are pleased to see the passage of S. 1883 by this Congress.

Mr. DECONCINI. Mr. President, it is with great pleasure that I rise today in support of S. 1883, the Trademark Law Revision Act of 1988. This vital legislation will serve to update our current trademark laws which have needed modernization of some time. These modernizations will bring our trademark laws in line with present day marketing practices and will help to harmonize U.S. Trademark laws with those of other countries. The 100th Congress has worked very hard on S. 1883, and I am very pleased that we are now securing the passage of this important bill.

Trademarks encourage competition, promote economic growth and raise the standard of living for all of our citizens.

The "Made in the USA" trademark in a foreign land carries a message more powerful than any foreign aid and more potent than any propaganda. America stakes its reputation on its trademarks. They are the most important ambassadors the United States sends abroad.

The U.S. trademark law, commonly referred to as the Lanham Act, was enacted 42 years ago. Although it has worked well for many years, it is now in need of updating and revision to reflect changes in business practices and other laws. S. 1883 will make these changes without costing the taxpayer any money. S. 1883 will reduce the advantage foreign nationals currently enjoy in obtaining U.S. trademark rights; eliminate unnecessary and costly uncertainty for small and large companies in launching new products and reduce the geographic fragmentation of trademark rights; improve and make the trademark system equal for small entrepreneurs and corporate trademark owners; and modernize the Lanham Act, clarifying its provisions, removing inconsistencies, conforming it to judicial interpretation, and updating it to reflect modern day commercial realities.

I wish to thank the ranking minority member of the Subcommittee on Patents, Copyrights and Trademarks, [16974]

Senate HATCH, and his counsel Abby Kuzma and Randy Rader; Senate cosponsors Senator GRASSLEY and his counsel Melissa Patack, and Senator HEFLIN and his counsel Karen Kremer, who all played vital roles in

the Senate action. Next, I wish to congratulate the chairman of the House Subcommittee on Courts, Civil Liberties and the Administration of Justice, Mr. KASTENMEIER, for his work in bringing reasonable, balanced trademark law revision legislation to the floor of the House for action. Additionally, I would like to express my appreciation to the ranking minority member of the Courts Subcommittee, Mr. MOORHEAD, who was the original sponsor of the trademark law revision legislation in the House.

I would also like to thank the U.S. trademark Association [USTA] for its leadership in the private sector. The USTA's 2-year study of trademark law problems before legislation was initiated and its continued commitment as the process evolved has been indispensable in securing passage of the reform legislation. I would particularly like to thank Robert Eck, former USTA president; Ronald Kareken, the current USTA president; Robin Rolfe, USTA executive director; and USTA manager of Government relations, Yvonne Chicoine whose dedication and perseverance contributed greatly to the passage of the bill.

Just as important was the objective advice Congress received from the Patent and Trademark Office, particularly Ron Bowie, which proved very helpful in drafting this legislation. I also wish to thank everyone else whose dedication and hard work were invaluable to the passage of S. 1883.

I especially would like to commend Jerome Gilson, whose expertise was invaluable throughout the legislative process; Dolores Hanna, Vito Giordano, Al Robin, and the many others with the Trademark Review Commission who participated in the 2-year study by the USTA; the American Intellectual Property Law Association; Intellectual Property Owners, Inc.; the American Bar Association; and the many, many other individuals and groups who joined together to see this bill enacted.

Finally, I wish to extend my thanks to my staff members Tara McMahon, Ed Baxter, and Mary Cabanski and all the others on my staff who have put so much time and effort into getting this bill passed.

Mr. President, S. 1883 also contains, as a separate title, the provisions of H.R. 2848, the Satellite Home Viewer Act. This title represents the end product of many months of work by the House Judiciary's Subcommittee on Courts, Civil Liberties, and the Administration of Justice. I want to congratulate the chairman of that subcommittee, Congressman ROBERT KASTENMEIER, for his success in working out a very emotional and controversial subject to the satisfaction of all the parties involved. It is my pleasure to be able to accept the work of Chairman KASTENMEIER'S subcommittee and urge my colleagues in the Senate to support his fine effort.

I also want to take this opportunity to thank Chairman KASTENMEIER for his cooperation in packaging these two worthy bills together. I believe the strategy of linking the two bills together, both in the negotiations and in congressional consideration, was the only way that both could have been passed this year. Chairman KASTENMEIER'S cooperation in this strategy was instrumental in our mutual success.

Senator LEAHY has been a strong proponent of the Satellite Home Viewer Act in the Senate. I would like to thank him and acknowledge his role in the Senate's decision to so promptly pass the House version of H.R. 2848.

Mr. HATCH. Mr. President, among the most gratifying moments of public service are those in which Senators and Representatives, Republicans and Democrats, unite in addressing a common concern, and reshape the law, that it

may better do its work. For making this such a moment, I thank the senior Senator from Arizona, my friend DENNIS DECONCINI, who chairs the Subcommittee on Patents, Copyrights and Trademarks of the Senate Judiciary Committee. I thank also our esteemed colleagues from the House, Representatives ROBERT KASTENMEIER and CARLOS MOORHEAD. Their untiring labors have indeed reshaped trademark law in a way that will serve the purposes of the law far better, for the Government and for the people.

More than four decades have passed since enactment of the Lanham Act, the foundation of America's trademark law. Think of the extraordinary changes in commerce we have witnessed since then. During these four phenomenal decades, the business side of trademark matters has progressed so dramatically that the law has been hard pressed to serve as well as it was intended to. The changes we have made will benefit all who are involved in the trademark community; not only great corporations and long established businesses, but new entrepreneurs and back yard tinkerers---and most importantly of all, every consumer in this country.

I was particularly concerned that the former law granted preferential treatment to foreign trademark applicants, since they were exempted from the use in commerce requirement. Under this legislation, all

trademark applicants, foreign and domestic, must meet the same application standards.

Through all my years of Senate service, I have been pleased to work with the trademark community---on the Trademark Display Act in 1982, for example, and on the Trademark Counterfeiting Act and the Trademark Clarification Act in 1984. Now, as the ranking minority member on the Subcommittee on Patents, Copyright and Trademarks, I am pleased to join in this more comprehensive updating and improvement of our trademark registration and enforcement laws.

I am also pleased that section II of this bill provides interim licensign of secondary transmission by satellite carriers of superstations for private viewing by Earth station owners. Representatives MOORHEAD and KASTENMEIER are to be commended for their fine work in preparting this portion of the bill. My senate colleagues and I are grateful to join with the House in adopting this important measure, and we applaud the spirit of cooperation evident in this grand compromise, which brings together many diverse parties and interests.

Again, I salute my colleagues for their efforts on this bill: for their spirit of bipartisan cooperation, for their thorough and careful examination of the issues, and for their development of a prudent and workable bill---a bill which, I might add, I expect to pass without dissent.

Mr. LEAHY. Mr. President, as chairman of the Agriculture Committee, and as a Senator interested in rural development, I am aware of the contributions that backyard satellite dishes make to rural America. The Senates has before it legislation that will help those who live in rural areas---those who rely on satellite dishes---to receive the variety of television programming that many Americans take for granted. I hope that we will send this bill directly to the President for his signature.

Television has an unparalleled ability to link the diverse communities of our Nation. It provides Americans from every region of the country with the opportunity to acquire news and information, to observe their Government in action, and to watch sporting events, movies, and other forms of entertainment. This bill will help ensure that Americans who rely on satellite dishes can see those programs, too.

Those who reside near metropolitan areas receive a variety of programs for traditional over--the--air broadcasts. A great number see even more programs through cable systems wired directly into their homes.

But the wide variety of programming available in metropolitan areas is not available to all Americans. Many who live in rural areas do not get reception of more than one or two stations through the rooftop antennas that pick up signals broadcast over--the--air. Most do not have access to cable television, either.

In the last few years, backyard satellite dishes have been sprouting up in rural areas. A backyard dish owner usually subscribes to a package of signals similar to a cable programming package. Thus, a backyard dish provides a great service to rural consumers because it enables them to view the programs readily available to their cousins in the distant cities.

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However, a backyard dish is capable of picking up satellite signals without the sender's knowledge or consent. A dish owner can pick up signals that cable systems, networks, and "superstations" send to their affiliates, subscribers and other customers throughout the country. The cable operators, broadcasters, copyright owners and others who invest a great deal of time and money to put together the programming are correct when they point out that dish owners who intercept

the signals are not paying their fair share. Many of these now scramble their satellite signals to prevent unauthorized interception.

If Congress does not act, dish owners will not have the means to view the programming that most Americans get by simply switching on the set. They will not be able to buy the programming from distributors that sell packages of satellite signals.

While this problem threatens satellite signals distributors and the home dish owners, it is not easy to sole because it runs up against the legitimate rights of copyright owners and broadcasters.

H.R. 2848, a bill studied and reported by both the House Judiciary Committee and the House Commerce Committee, would amend the Copyright Act to permit businesses to include network and superstation programming in the packages sold to dish owners. Through a statutory license, the bill protects copyright owners and makes sure that dish owners are able to purchase at a fair price the means to receive superstation and

network signals delivered by satellite. The law would sunset in 6 years and thus allow a new technology to establish itself while discouraging industry from becoming dependent on Congress' intervention in the marketplace. See House Report No. 100--887, parts 1 and 2.

The bill further defends the rights of networks and their affiliates by permitting the satellite retransmission of network programming to households located in white areas---households that cannot pick up network signals through a rooftop antenna or a cable because they are far from the big cities, or in some cases just on the wrong side of a mountain. The bill establishes a procedure to notify networks about the number of homes receiving their signal through satellites and penalizes retransmissions of network signals to persons who do not live in white areas.

Many Members of Congress are concerned that dish owners are paying too high a rate for satellite programming. This bill requires the Federal Communication Commission to report to Congress on whether dish owners are, in fact, subject to price discrimination. It makes sure that copyright penalties can be imposed against carriers who unlawfully discriminate against distributors in the selling of retransmitted signals.

The retransmission of network and superstation signals by cable systems or satellite carriers causes some problems. For example, a cable system could deliver a program into an area that already gets the program through a local broadcaster. The local broadcaster doesn't like that because he purchased rights to that program thinking that he would be the only one to show it within his area. The FCC is about to enforce syndicated exclusivity on cable systems---and thereby allow local broadcasters to have exclusive use of programs under certain circumstances. This bill will require the FCC to study whether syndex should apply to the dish industry in the manner in which it will apply to cable television.

Finally, I would like to mention two important contributions suggested by Chairman DINGELL'S Committee on Energy and Commerce. The bill increases penalties for the theft of satellite signals and calls for a study of encryption technology to determine appropriate encryption standards.

Mr. President, ever since the House first sent this bill over to the Senate, I have been encouraging my colleagues on the Judiciary and Commerce Committees to pass this legislation before the recess. I know satellite dish owners around the Nation are counting on it. If we pass S. 1883, which now includes the text of H.R. 2848, we will be able to enhance the variety of programming available to those who rely on satellite dishes---including many Americans who live in rural areas.

I would like to thank Senators DE CONCINI and HOLLINGS, who helped me keep this legislation on track, and to acknowledge the fine work of Congressman BOB KASTENMEIER, MIKE SYNAR, RICK BOUCHER and CARLOS MOORHEAD. Those gentlemen found paths around every roadblock. I would also like to acknowledge those who represent the satellite dish industry, the dish owners, the cable industry, the satellite carriers, independent television, network television, the electric cooperatives, the motion picture industry, and all others who recognized that many parties had a stake in solving this very difficult problem.

COPYRIGHT LIABILITY OF STATE GOVERNMENTS

Mr. WILSON. Mr. President, I would like to address a concern regarding a developing issue of great significance to copyright holders, especially those selling textbooks, computer software, and other copyrighted works to state schools and universities.

At issue is whether State government agencies throughout the United States are free to use and copy copyrighted works without permission and without providing compensation to the person who created the work.

The Congress is charged by article I, section 8, of the Constitution to protect the interests of authors in their writings. This we have done through enactment and periodic updating of the Copyright Act. However, just a few weeks ago, on October 3, the Ninth Circuit Court of Appeals held that State governments are immune under present law from damage suits for copyright infringement. This decision apparently rests on the court's interpretation of the scope of the 11th amendment's protections of the States against suit. That decision, and a similar one issued by the fourth circuit, embodies an enormous potential to reduce critical incentives to authors of books, computer software, plays, music, films, and other creative works. Indeed, all copyright holders are at risk, but perhaps none more than educational publishers, among whose principal markets are State universities.

Mr. President, I do not intend to criticize fair use of copyrighted materials by State universities and other

State agencies. Fair use is an integral element of our copyright laws and helps further the dissemination of ideas. I am only concerned that State institutions, just as is everyone else, be properly liable for their use of copyrighted works.

Mr. President, in light of the importance of this issue, I would appreciate hearing the views on this matter of the Senator from Arizona, Senator DECONCINI, who serves with great distinction as the chairman of the Judiciary Committee's Subcommittee on Patents, Copyrights, and Trademarks.

Mr. DECONCINI. Mr. President, the Senator from California and I share a strong concern for the rights of authors and other creative artists, and I have been pleased to work with him to further their interests.

Mr. President, the recent court decisions cited by Senator WILSON do greatly concern me. As the ninth circuit stated, "We recognize that our holding will allow States to violate the Federal Copyright laws with virtual impunity. It is for Congress, however, to remedy this problem."

I want to assure the Senator from California that I will call early hearings of my subcommittee next year on this issue, and I anticipate that any necessary remedial legislation can be moved promptly in the next session. I trust that State institutions will not exploit this situation, as the issue will be addressed next year.

Mr. WILSON. Mr. President, I greatly appreciate receiving this assurance from my good friend. He is a champion of the rights of intellectual property rights holders, and no one in this body could ask for more than the word of the Senator from Arizona.

Mr. BYRD. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to

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Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FOOTNOTES:

(n1) Footnote 1. Letter to Tara McMahon, Majority Counsel, Senate Committee on the Judiciary Subcommittee on Patents, Copyrights and Trademarks, October 10, 1988.

(n2) Footnote 2. *Centaur Communications Ltd. v. A/S/M/ Communications, Inc.*, 830 F.2d 1217, 1229 (2d Cir. 1987); *WSM, Inc. v. Wheeler Media Services, Inc.*, 810 F.2d 113, 116 (6th Cir. 1987); *U---Haul Int'l, Inc. v. Jar Tran Inc.*, 793 F.2d 1034, 1041--42 (9th Cir. 1986); *Richard v. Auto Publishers, Inc.*, 735 F.2d 450, 453--58 (11th Cir. 1984); *Metric Multi---Standard Components Corp. v. Metric's Inc.*, 635F.2d 710, 715 (8th Cir. 1980). *Compare Blau Plumbing, Inc. v. S.O.S. Fix----, Inc.*, 781 F.2d 604, 612 (7th Cir. 1986); *Standard Terry Mills, Inc. v. Shen mfg. Co.*, 803 F.2d 778, 782 (3d Cir. 1986).

(n3) Footnote 3. In construing the Lanham Act, the United States Supreme Court has noted that "(s)tatutory construction must begin with the language employed by Congress and the assumption that language accurately expresses the legislative purpose." *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 194 (1985).

(n4) Footnote 4. 2 J.T. McCarthy, Trademarks and Unfair Competition section 30:28 ("(T)he federal courts have held that (section) 35 of the Lanham Act does not mean that a successful plaintiff is entitled in all cases to a monetary award in addition to injunctive relief.") and section 30:25 (2d ed. 1984).

(n5) Footnote 5. 2 R. Callman. Unfair Competition Trademarks and Monopolies section 9.20 (L. Altman 4th ed. 1982); 1 J. Gilson, Trademark Protection and Practice, section 8.08(1), at 8--173 to 8--174 (1988) ("Generally ...the more aggravated, willful and fraudulent the defendant's conduct. the greater will be the judicial propensity to grant monetary relief."). The Second Circuit. in *Getty Petroleum Corp. r. Bartco Petroleum Corp.*, No. 87--7668 (2d Cir. Sept. 22, 1988). Correctly concluded that the remedies available under section 35 do not include the assessment of punitive damages.

(n6) Footnote 6. *See, e.g., Polo Fashions, Inc. v. Magic Trimmings, Inc.*, 603 F. Supp. 13, 19 (S.D. Fla. 1982) (where the defendant acted willfully to perpetuate a fraud).

(n7) Footnote 7. *Getty Petroleum Corp. r. Bartco Petroleum Corp.*, supra note 5. *See also. Reader's Digest v.*

Conservative Digest, Inc., 821 F.2d 800, 807 (D.C. Cir 1987) (profits should be awarded only when a defendant's infringement is "willful" or in "bad faith"): *Nalpac Ltd. v. Corning Glass Works*, 784 F.2d 752, 755 (6th Cir. 1986) (to obtain damages the plaintiff must show that the defendant acted deliberately): *Frisch's Restaurant, Inc. v. Elby's Big Boy*, 661 F. Supp. 971,989 (S.D. Ohio 1987) (no damages will be awarded unless there is a showing of fraud or passing off): 2 J.T. McCarthy, Trademarks and Unfair Competition section 30:25 (2d ed. 1984).

(n8) Footnote 8. See e.g., *Ford Motor Co. v. B&H Supply Inc.*, 646 F.Supp. 975, 998 (D. Minn. 1986) (where the court denied increased damages despite a finding of willfulness).

(n9) Footnote 9. *Getty Petroleum Corp. v. Bartco Petroleum Corp.*, supra note 5: 1 J. GILSON TRADEMARK PROTECTION AND PRACTICE section 8.08[2], at 8--178 to 8--179 (1988) (commenting that by including the phrase "not as a penalty." Congress meant to preclude the assessment of punitive damages).

(n10) Footnote 10. *Norell Corp. v. Firehouse No. 1 Bar--B--Quc Restaurant*, 771 F.2d 521 (D.C. Cir. 1985); 2 J.T. McCarthy, Trademarks [sic] and Unfair Competition section 30:30 (2d d. 1984).

(n11) Footnote 12. *Fed. R. Civ. Pro. 65. Sec generally* 11 C. Wright and A. Miler. Federal Practice and Procedure section 2941 *et seq.* (1973) (hereinafter cited as Wright and Miller).

(n12) Footnote 13. Wright and Miller at Section 2942.

(n13) Footnote 14. Wright and Miller at section 2947. See also, *Imperial Chemical, Ltd. v. National Distillers and Chemical Corp.* 354 F.2d 459 (2d Cir. 1965).