

SUBJECT: Filing requirements and classifications related to registration of marks

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 9 ayes — Marchant, Madden, B. Cook, J. Davis, Elkins, Gattis, Goodman,
Lewis, Villarreal

0 nays

WITNESSES: For — None

Against — None

On — Carmen Flores, Texas Secretary of State Business and Public Filings
Division; Lorna Wassdorf, Office of the Secretary of State

BACKGROUND: Business and Commerce Code, sec. 16.09 lists specific classes of goods and services for the filing of an application for registration of a trademark or service mark with the secretary of state. Texas classifications have been structured to follow those of the United States Patent and Trademark Office (USPTO). Since the Texas statute was last amended in 1989, the USPTO restructured its classifications. In compliance with this change, the secretary of state modified its rules to reflect the new structure of classifications, but the statute remains unchanged.

Upon request of a registrant or transferree, the secretary of state may issue a new certificate if the ownership of a registered mark is transferred or a registrant's name is changed during the unexpired term of registration of the mark.

Although the forms to complete an application to register a trademark or service mark are online, these applications must be submitted in writing to the secretary of state with two copies of the application attached.

DIGEST: CSHB 3415 would amend Business and Commerce Code, sec. 16.09 to require the secretary of state to adopt rules establishing a classification system for trademarks and service marks for goods and services. The classifications

established could not limit or expand the rights of an applicant or registrant, and would have to conform to USPTO classifications, to the extent practicable. Existing references to classifications of goods and services that would become obsolete under this bill would be deleted.

CSHB 3415 would permit the Secretary of State's Office to amend its records to reflect a change of address on an effective registration upon receipt of a statement to that effect signed by the registrant or the registrant's agent.

The bill would allow the secretary of state to issue a new certificate if the ownership of a registered mark had been transferred or a registrant's name had changed during the unexpired term of a registration, rather than requiring the registrant or transferee to request that a new certificate be issued.

CSHB 3415 would allow applicants and registrants to file certain documents online with the secretary of state, including an application for the renewal of a registration of a mark, an assignment of a mark and its registration, and a transfer of ownership of a registered mark or change of a registrant's name. It would require the secretary of state to send an electronic acknowledgment of the receipt of the documents, and would make paperless versions of certificates and other documents official.

The bill would take effect September 1, 2003.

**SUPPORTERS
SAY:**

CSHB 3415 is needed to give the power of law to rules adopted by the secretary of state to establish a classification of goods and services that conforms to the USPTO's classifications, to authorize the secretary of state to make additional rules without having to seek permission each time from the Legislature, and to authorize electronic filing of documents.

CSHB 3415 would resolve an inconsistency in the law that occurred when the secretary of state changed its rules to conform to those of the USPTO. Many out-of-state businesses do business in Texas and it makes sense to ensure that laws about marks are consistent throughout the country. This bill would make the Texas statute consistent with the secretary's rules and federal law.

By making the laws consistent and allowing applicants to file online, CSHB 3415 would save the secretary of state administrative costs and time.

Currently, applicants often file their applications based on the requirements under the Texas statute, which do not comply with the rules set by the secretary of state, costing that office time and effort to correct the applications prior to approval. Additional administrative time is spent by the secretary of state scanning into electronic format the applications, any supporting documents, and other relevant trademark documents such as renewal applications, another hassle and expense that this bill would help eliminate.

Allowing registrants to use electronic means for filing documents also would give them extra time to make a filing before the expiration date of the mark. There is no grace period for the expiration of a mark, so a client who has left this obligation until the last minute might be unable to deliver the printed copies of the applications to the secretary of state's office in time. Permitting the use of fax or online filing would allow the submission of this renewal application in the fastest, cheapest, and most efficient manner possible.

In addition, the bill would inform the public that mark registrants can change their addresses with the secretary of state. A mark registration lasts for 10 years, during which time many businesses move locations. Although the secretary of state already has a procedure for doing this, it is not commonly known. Outlining the procedure in the statute would inform the public of its existence and allow address changes to occur more efficiently.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

The committee substitute differs from the bill as introduced by conforming it to Texas Legislative Council drafting style. Unlike the original bill, the substitute would not redact the current sec. 16.09(a), which allows an applicant to include in a single application all goods or services to which a particular mark may apply. It also would not redact sec. 16.09(d), which states that the classes of goods and services enumerated in this section do not limit or expand an applicant's or registrant's rights. It would permit the secretary of state to change the address on an effective registration based on the receipt of a statement signed by the registrant or registrant's agent, and would permit applicants and registrants to file documents relating to marks electronically.

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The companion bill, SB 1532 by Brimer, passed the Senate on the Local and Uncontested Calendar on April 10 and was reported favorably, without amendment, by the House State Affairs Committee on May 5 and was sent to the Local and Consent Calendars Committee.