



International Trademark Association
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By Electronic Mail

June 15, 2006

The Honorable Lamar Smith, Chairman
Subcommittee on Courts, the Internet, and
Intellectual Property
United States House of Representatives
B-352 Rayburn House Office Building
Washington, DC 20515-6219

Attention: Blaine Merritt, Chief Counsel

Dear Chairman Smith:

The International Trademark Association (INTA) is writing to express its opposition to the proposal made by the House Office of Law Revision Counsel (OLRC) to codify into positive law the Trademark Act of 1946 (commonly referred to as the "Lanham Act").¹ After a careful review of this proposal, we find that the negative implications of codification into positive law and the associated burdens that would be imposed on trademark owners far outweigh any intended benefits. Accordingly, we respectfully urge that the Committee on the Judiciary not endorse this initiative.

Under the OLRC proposal, the Lanham Act would be removed from Title 15 of the U.S. Code and placed into Title 35, which has previously been codified into positive law and contains the Patent Act.² As we understand it, placing related statutes (in this case two intellectual property statutes) together in one location in the Code is one of the principal reasons for codification into positive law. In doing so, the OLRC proposes to renumber and reorganize the basic framework of the Lanham Act to make its structure consistent with the existing structure of the Patent Act. In addition to this titular condensation of IP statutes in the U.S. Code, the OLRC proposes to take this opportunity to eliminate inconsistent, redundant, and obsolete provisions from the Lanham Act and replace them

¹ 15 U.S.C. § 1051, *et. seq.*

² Copyrights would remain in Title 17 of the U.S. Code.

with new terms.³ These linguistic changes are meant by the OLRC to be “purely technical in nature.”⁴

Based on our detailed review of OLRC’s substantial rewrite of the Lanham Act, however, we disagree with the characterization that these changes are “purely technical.” The OLRC proposal reveals a number of proposed changes that would have a significant, potentially harmful impact on the practice of trademark law. For example:

- referring to a “domain name registry” as “domain name registrar,”⁵ when there are distinct and meaningful differences between the two;
- the elimination of the definition of “use”;⁶
- the creation of a definition for “infringe”;⁷
- the elimination of human beings and/or private companies as “person[s]” that can enjoy or be subject to the provisions of the Lanham Act;⁸
- the lack of reference to the existing Lanham Act in the definition of “registered mark,” possibly excluding protection for marks registered in the last 60 years”;⁹
- possibly requiring a person who signs a document on behalf of an organization to determine if anyone in the organization has certain specified knowledge regarding a mark (this could create a new duty to investigate the “applicant’s” belief);¹⁰
- the costs associated with issuing a certificate of registration for “each good or service specified in the statement of use”;¹¹
- the creation of a new standard, “Close Resemblance,” for refusal to register a mark;¹²
- the elimination of the requirement that the assignment of a mark be executed in writing.¹³

³ See Public Law 93-554 (2 U.S.C. § 285b(1)) for the standard for codification of legislation set forth by Congress.

⁴ OLRC, Explanation of Discussion Draft, at <http://uscode.house.gov/cod/t35/>, p. 1.

⁵ Proposed 35 U.S.C. § 501(10).

⁶ Presently, 15 U.S.C. § 1127 defines “Use” as the “bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.”

⁷ Proposed 35 U.S.C. § 501(11). Presently, the phrase “the use is likely to cause confusion, cause mistake, or deceive” is part of 15 U.S.C. § 1114(a). It seems questionable to treat this very important substantive language as a definition, especially since the defined term is used only in two contiguous sections of the statute, which are referred to in the definition.

⁸ Proposed 35 U.S.C. § 501(16). As just one example of the enormity of this change, the definition of the term “trademark” in the proposed law “includes a word, name, symbol, or device (or combination thereof) that is used by a person.” 35 U.S.C. § 501(24). Due to the proposed elimination of the human beings and private companies from the definition of “person,” under the proposed legislation, a word, name, symbol or device (or combination thereof) would only constitute a trademark if it were used by the United States, a state of a governmental agency. This apparent oversight in the definition sections is quite disturbing and has repercussions throughout the draft bill.

⁹ Proposed 35 U.S.C. § 501(18).

¹⁰ 35 U.S.C. §601(a)(3), regarding “Verification of a Statement” when applying for a trademark registration.

¹¹ Proposed 35 U.S.C. §601(b)(7)(ii)(II).

¹² Proposed 35 U.S.C. §602(b)(4). This new heading may cast into doubt existing precedents, or at least open the door to a new legal test.

¹³ Proposed 35 U.S.C. § 610, which would replace existing 15 U.S.C. § 1060.

- the introduction of the terms “entitlement” and “nonentitlement” of a trademark registration, which are left undefined and therefore subject to interpretation;¹⁴ and
- the elimination of a clear link between registration of marks and the requirement of payment for registration.¹⁵

In an 80-plus page bill, the substantive changes listed above are likely just the beginning. There are no doubt other problematic changes that, like those identified above, have the potential to affect negatively well-established trademark practice.

Moreover, relocating the Lanham Act to Title 35 creates a risk that patent principles would be applied to interpretation of trademark cases. The use of common definitions between the Patent Act and the Lanham Act increases this likelihood. Although patents and trademarks are both forms of intellectual property, their similarity ends there. Patent law has absolutely nothing in common with trademark law substantively or from a policy standpoint.

In addition to the substantive arguments weighing against this proposal, there are significant financial expenses that will result from codification into positive law that would be borne solely by trademark owners. Practitioners would have to rewrite their standard forms; legal treatises and other books and research tools would have to be entirely rewritten; and the new versions purchased by trademark practitioners. These expenses would in turn be passed on to clients – the trademark owners. And, most significantly, the U.S. Patent and Trademark Office (USPTO) would have to retool all of its forms as well as rewrite the Trademark Manual of Examination Procedure and the Trademark Board Manual of Procedures.¹⁶ Because the USPTO is funded entirely by user fees, it will be trademark owners who will bear the financial burden for these changes. Ultimately, the time and cost involved as a result of such change would be considerable.

Finally, we invite your attention to the cumbersome nature of the proposed reorganization of the Lanham Act that would result from the codification into positive law. Entire sections that are presently written in an easy-to-understand format recognizable and familiar to practitioners and judges, such as existing 15 U.S.C. § 1071,¹⁷ which concerns judicial review, and 15 U.S.C. § 1114, relating to remedies for infringement,¹⁸ are totally reorganized into different subsections, paragraphs, provisions, etc., making judicial interpretation unpredictable. Simple citations that are presently in use would be replaced by, for example, the unwieldy 35 U.S.C. § 501(26)(B)(i)(I)(aa). Long-established shorthand references, *e.g.*, “43(a) claims” or “2(a) refusals,” that have become second nature for lawyers, scholars, judges, legislators, and students, would become a thing of the past, replaced by unfamiliar and hard-to-remember citations that will send even the

¹⁴ Proposed 35 U.S.C. § 612, which would replace existing 15 U.S.C. § 1062.

¹⁵ Proposed 35 U.S.C. § 665(b).

¹⁶ Because the USPTO has been a leader in e-Government (currently, 90% of all new trademark applications are filed electronically), the process of changing its forms would require the USPTO to engage in multiple programming changes.

¹⁷ Proposed 35 U.S.C. § 620.

¹⁸ Proposed 35 U.S.C. § 654.

most experienced of practitioners and jurists scurrying back to the books repeatedly. We should also not underestimate the not-so-short-term transitional problems requiring double citations and explanations (citing to law both before and after the codification), whenever the major pre-codification case law is cited.

In conclusion, we have not identified any practical benefit to America's trademark owners that would result from changing the form of the law, or transforming it into "positive law," which would justify the risk of unintentional misinterpretations in the proposed new language, and the cost and inconvenience of the change. We again respectfully urge the Committee on the Judiciary not to endorse the OLRC proposal.

INTA appreciates your consideration of our position, and as always is grateful for your leadership and attention to trademark matters. We invite any questions that you or your staff may have concerning this issue.

Sincerely,



Paul W. Reidl
President

cc: The Honorable Howard Berman, Ranking Democratic Member, Subcommittee on
Courts, the Internet, & Intellectual Property
The Honorable Jon Dudas, Director, U.S. Patent and Trademark Office
Lynne Beresford, Commissioner for Trademarks
Amy Cotton, Attorney Advisor, U.S. Patent and Trademark Office
Kenneth I. Paretzky, Senior Counsel, Office of the Law Revision Counsel
Jon Kent, INTA Washington Representative