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The New Colorado Trademark Law - Its Practical Effect

THE NEW COLORADO TRADE-MARK LAW— ITS PRACTICAL EFFECT

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On April 2, 1951, Governor Thornton signed Senate Bill No. 323,¹ which will become law 90 days thereafter, or on July 2, 1951. This new trade-mark law appears to be a considerable improvement over the previous Colorado law relating to the registration of trade-marks.² Much credit is due to the members of the legislature who introduced and secured passage of the bill,³ to Mr. Victor Bloom, Assistant Secretary of State, and to the members of the Trade-Mark Committee⁴ of the Patent Section of the Colorado Bar Association.

While there are a number of innovations in the Colorado law, these correspond generally to provisions already found useful in the Federal law on the registration of trade-marks.⁵ The scope of the present discussion will be directed primarily toward the practical effect of the new Colorado law on the advice, opinions, or action of the general practitioner.

RENEWAL OF REGISTRATIONS

To those lawyers whose clients already have trade-mark registrations, a provision of considerable interest is that relating to the renewal of registrations. It requires a registration which was previously in effect to be renewed within six months prior to expiration, which is ten years after the original registration, or one year after July 2, 1951, whichever date is later. The Secretary of State is required to notify all registrants of trade-marks under previous acts of their date of expiration, by writing to the last known address of the registrants, if available. Since the original registrants often did not furnish complete addresses, or the original addresses are no longer accurate, it appears that some of the notices may not be received. It is therefore desirable that every owner of a prior registration make sure that the proper renewal is effected.

CANCELLATION OF REGISTRATIONS

Another new provision is that relating to the cancellation of registrations. In general, the law is drawn so that registrations of marks which would not be valid at common law can be cancelled.

¹ Introduced by Senators Carlson, Cheever and Henry.

² COLO. STAT. ANN., c. 165, §§ 1-20 incl. (1935).

³ The corresponding bill in the House of Representatives was H. B. 349, introduced by Representatives Hays and Hart, for which the Senate bill was substituted after passage by the Senate.

⁴ Carle Whitehead, Charles B. Messenger, and Robert G. Bonham.

⁵ 15 U.S.C. c. 22; also known as the Lanham Act, Public Law 489, 79th Congress.

In connection with marks which may be merely descriptive, or deceptively misdescriptive of the goods in words or symbols of common or trade usage, or marks which are primarily geographical, or primarily merely a surname, provision has been made for the acquisition of a so-called "secondary meaning" by such marks through substantially exclusive and continuous use for a period of five years preceding the date of the action for cancellation. This latter can be an important factor, since if an action for cancellation is delayed for too long a period of time, then the five years may have expired. Of course, if your client is using the same term or mark, then the use by the registrant would not have been exclusive. In this connection, it would appear desirable to preserve records relating to the use of trade-marks, so as to be able to prove a date of early use, a point which will also be touched upon later in connection with the adoption and registration of marks.

WHERE CONFUSION BETWEEN STATE AND U. S. MARKS

A further provision relating to cancellation is of interest in connection with a situation in which someone else, not the registrant in Colorado, has registered a confusingly similar mark in the United States Patent Office. The cancellation provision of the Colorado law, relative to this question, provides certain safeguards for a bona fide user in Colorado, who adopted and used the mark in Colorado before he had an opportunity to learn of the possible prior use elsewhere by the United States registrant. Thus, the date of first use in this state by the state registrant is made an important date, since a United States Patent Office registration can be used for cancellation purposes against the Colorado registration only under certain circumstances. These are the situations in which the United States registration application was filed prior to the date of first use in Colorado by the Colorado registrant, or the United States registration is for a mark which has been lawfully used in Colorado or had become known in Colorado prior to the date of first use by the Colorado registrant, or the Colorado registrant adopted the mark with actual knowledge of the prior use by the United States registrant elsewhere and upon the goods specified in the United States registration. The intent of this provision is to prevent someone who uses the mark, say, in interstate commerce between Pawtucket, R. I., and Revere Beach, Mass., and upon the basis of such interstate use, many years later obtains a United States registration. Obviously, if in the meantime someone in Colorado who could not have reasonably known of the use by the U. S. registrant (unless, of course, the U. S. registrant shipped goods into Colorado or advertised in Colorado so that his mark became known in Colorado), has adopted and used the same mark in Colorado, the Colorado user should have prior right to the mark in Colorado.

A further ground of cancellation is that the registered mark

has become incapable of serving as a trade-mark, i.e., it has become the common and accepted name of the particular goods upon which the mark is used. "Aspirin" is one example of a particular product which became known by the name which had previously been used as the trade-mark for it, and the name became common property.

In connection with the cancellation of a registered mark, provision is made for the appointment of the Secretary of State as agent for service of process, if the applicant (which includes registrant) be or shall become a non-resident, or foreign corporation not licensed to do business in Colorado, or cannot be found in Colorado. This provision simplifies the problem of obtaining service on a registrant, but with respect to registrations now in effect, it will probably be necessary to go through other procedures in obtaining service. Nevertheless, by waiting until one year after the act goes into effect, a previous registration will expire unless renewed, and if renewed it is expected that the renewal application will contain a similar provision for service. Thus, if the registration which your client wishes to have cancelled is more than ten years old, then it may be desirable to wait until one year after July 2, 1951, since it may be automatically cancelled by failure to renew, thus removing the necessity for bringing a cancellation proceeding.

An additional ground for cancellation, which will probably be applicable in numerous instances, is that the mark has been abandoned. This involves a question of fact, but the generally accepted rule of law on this matter is that non-use of the mark, accompanied with intent to abandon, constitutes abandonment. Each particular situation, of course, will probably involve a slightly different set of facts, but non-use for a long period of time is generally held to constitute abandonment, with intent presumed if not proven. Of course, some consideration must be given to the particular facts involved, such as a legal impediment to the sale of the goods, since the owners of trade-marks for alcoholic liquors, for instance, were held not to have abandoned their marks during the period of prohibition.

ADOPTION OF MARK

It often happens that a client is expanding his business, or is going into business, and wishes to adopt a trade-mark for either a new type or class of goods, or the type or class of goods which he is first offering for sale. To advise a client as to whether or not a particular mark should be adopted, with the purpose of obtaining a valid registration in Colorado, it is necessary primarily to consider only the following:

(1) Is the same or a similar mark in use at the present time in Colorado, or used recently and not abandoned, by someone else?

(2) Has an application for registration of the same or similar mark been filed in the United States Patent Office?

The former can be answered by investigation of the stores or other places at which goods in the same class are sold in Colorado, and the latter by a simple and inexpensive search through the records of the U. S. Patent Office. These two investigations will take care of 90 percent of the situations which would probably arise in connection with a later cancellation proceeding, if the Colorado registration is obtained. Of course, there are other requirements for a valid mark, such as that it not comprise immoral, deceptive or scandalous matter, comprise the flag or coat of arms or other insignia of the United States or a state or foreign nation, or the name, signature or portrait of any living individual without his consent, or that it is capable of serving as a trade-mark, i. e., is not the commonly accepted name of the goods.

PRESERVE EVIDENCE OF FIRST USE

Whenever a new mark is adopted, it is desirable to preserve evidence of the use of the mark, since it may be necessary and important, some years later, to be able to prove the first use of the mark. Samples of the labels first used should be preserved; also, wherever practicable, photographs of the labels on the goods themselves should be taken, and the photographs should be dated, signed and witnessed, both by the user of the mark and by the person who took the photographs. Orders, sales slips, bills of lading, and the like should also be preserved, and the trade-mark name of the goods should be included therein. It is sometimes helpful to ship one or more of the articles by mail, with the trade-mark appearing on the wrapper, i. e., "This package contains WHIFFENPOOF bolts and nuts." When mailed, the post-office clerk will usually be sufficiently accommodating to place the post office stamp over the trade-mark itself, and the addressee can then be requested to return the wrapper. The wrapper thus will be evidence that a package, on the wrapper of which the trade-mark appeared, was sent to the addressee on the date of the post mark.

It is to be noted that *service marks* are now registrable in Colorado, as is also the case under the Federal act. Examples of service marks which have been registered under the Federal act are those of life insurance companies, railways, airlines, truck lines, photographic agencies, advertising agencies, radio program agencies, and the like.

William R. Young and Edward J. McHugh have announced the opening of offices at 924 Broadway, Denver, having taken over the offices of James L. Dupler who has been recalled to military service.