

HOUSE BILL NO. 323
INTRODUCED BY L. JENT

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS GOVERNING REGISTERED MARKS AND TRADEMARKS TO CONFORM TO RECENT CHANGES IN THE MODEL ACT; DEFINING THE TERMS "ABANDONED", "DILUTION", AND "USE"; REVISING THE DEFINITIONS OF "SERVICE MARK" AND "TRADEMARK"; REVISING THE CONTENT OF THE APPLICATION FOR REGISTRATION; REVISING REQUIREMENTS FOR THE FILING OF APPLICATIONS; REVISING THE REQUIREMENTS FOR CERTIFICATES OF REGISTRATION; REVISING THE DURATION AND RENEWAL OF CERTIFICATES OF REGISTRATION; REVISING LAWS GOVERNING ASSIGNMENTS AND CHANGE OF NAME; REVISING LAWS GOVERNING CANCELLATION OF REGISTRATION; REPLACING THE STATUTORY LIST OF CLASSIFICATIONS OF GOODS AND SERVICES WITH RULES ADOPTED BY THE SECRETARY OF STATE TO CONFORM TO CLASSIFICATIONS ADOPTED BY THE UNITED STATES PATENT AND TRADEMARK OFFICE; REVISING LAWS ON INJURY TO BUSINESS REPUTATION AND DILUTION; PROVIDING FOR TREBLE DAMAGES AND ATTORNEY FEES IN CASES INVOLVING THE COMMISSION OF WRONGFUL ACTS WITH KNOWLEDGE OR IN BAD FAITH; PROVIDING FOR A FORUM FOR ACTIONS INVOLVING REGISTRATION AND PROVIDING FOR SERVICE OF PROCESS ON THE SECRETARY OF STATE; ELIMINATING EXISTING PROVISIONS CONCERNING WHEN A MARK IS CONSIDERED USED, APPLICATIONS FOR RENEWAL OF REGISTRATION, CERTIFICATES OF ASSIGNMENT, PENALTIES FOR FALSE SWEARING, AND THE FILING OF FACSIMILE COPIES; AMENDING SECTIONS 30-13-301, 30-13-303, 30-13-311, 30-13-312, 30-13-313, 30-13-315, 30-13-317, 30-13-318, 30-13-331, 30-13-332, 30-13-333, 30-13-334, AND 30-13-335, MCA; REPEALING SECTIONS 30-13-302, 30-13-314, 30-13-316, 30-13-319, AND 30-13-341, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 30-13-301, MCA, is amended to read:

"30-13-301. Definitions. In this part, unless the context requires otherwise, the following definitions apply:

(1) "Abandoned" with respect to a mark, means the occurrence of either of the following:

(a) when a mark's use has been discontinued with intent not to resume use. Intent not to resume may

be inferred from circumstances. Nonuse for 2 consecutive years constitutes prima facie evidence of abandonment.

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

(1)(2) "Applicant" means the person filing an application for registration of a trademark mark under this part or the person's legal representatives, successors, or assigns.

(3) "Dilution" means the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of:

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

(b) likelihood of confusion, mistake, or deception.

(2)(4) "Mark" means any trademark or service mark entitled to registration under this part whether registered or not.

(3)(5) "Person" means any individual, firm, partnership, limited liability company, corporation, association, union, or other organization capable of suing and being sued in a court of law.

(4)(6) "Registrant" means the person to whom the registration of a trademark mark under this part is issued or the person's legal representatives, successors, or assigns.

(5)(7) "Service mark" means a mark used in the sale or advertising of services any word, name, symbol, or device or any combination of words, names, symbols, or devices used by a person, to identify and distinguish the services of one person, including a unique service, and distinguish them from the services of others and to indicate the source of the services, even if that source is unknown. Titles, character names used by a person, 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.

(6)(8) "Trade name" means a word, name, symbol, device, or any combination thereof any name used by a person to identify the person's a business; or vocation, or occupation and distinguish it from the business, vocation, or occupation of others of that person.

(7)(9) "Trademark" means any word, name, symbol, device, or any combination thereof of words, names, symbols, or devices adopted and used by a person to identify and distinguish the goods made or sold by the of that person, including a unique product, and to distinguish them from goods made or those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

(10) "Use" means the bona fide use of a mark in the ordinary course of trade and not a use merely to reserve a right in a mark. For the purposes of this part, a mark is considered to be in use:

(a) (i) on goods when it is placed in any manner on the goods or other containers or the displays associated with the goods or on the tags or labels affixed to the goods or, if the nature of the goods makes placement on the goods or containers impracticable, when it is placed on documents associated with the goods or their sale; and

(ii) the goods are sold or transported in commerce in this state; and

(b) on services when it is used or displayed in the sale or advertising of services and the services are rendered in this state."

Section 2. Section 30-13-303, MCA, is amended to read:

"30-13-303. Registrability. (1) A mark by which the goods or services of any applicant for registration may be distinguished from the goods or services of others may not be registered if it:

- (a) consists of or comprises immoral, deceptive, or scandalous matter; ~~or~~
- (b) consists of or comprises matter ~~which that~~ may disparage or falsely suggest a connection with persons, living or dead, or institutions, beliefs, or national symbols or bring them into contempt or disrepute; ~~or~~
- (c) consists of or comprises the flag or coat of arms or other insignia of the United States, of any state or municipality, or of any foreign nation or any simulation ~~thereof~~ of the flag or coat of arms of any of the enumerated entities; or
- (d) consists of or comprises the name, signature, or portrait of any living individual, except with ~~his~~ the individual's written consent; ~~or~~
- (e) ~~comprises~~ consists of a mark that:
 - (i) when ~~applied to~~ used on or in connection with the goods or services of the applicant, is merely descriptive or deceptively misdescriptive of them;
 - (ii) when ~~applied to~~ used on or in connection with the goods or services of the applicant, is primarily geographically descriptive or deceptively misdescriptive of them; or
 - (iii) is primarily merely a surname; or
- (f) consists of or comprises a mark that so resembles a mark registered in this state or a mark or trade name previously used in this state by another and not abandoned as to be likely, when applied to the goods or services of the applicant, to cause confusion or mistake or to deceive.

(2) ~~However, nothing in subsection~~ Subsection (1)(e) prevents ~~does not prevent~~ the registration of a mark used in this state by the applicant ~~which that~~ has become distinctive of the applicant's goods or services. The secretary of state may accept as evidence that the mark has become distinctive, ~~as applied to~~ as used on

or in connection with the applicant's goods or services, proof of continuous use thereof of the mark or service mark as a mark by the applicant in this state or elsewhere for the 5 years immediately preceding before the date of the filing of the application for registration on which the claim of distinctiveness is made."

Section 3. Section 30-13-311, MCA, is amended to read:

"30-13-311. Application for registration. (1) Subject to the limitations set forth in this part, a person who ~~adopts and~~ uses a mark ~~in this state~~ may file in the office of the secretary of state, on a form to be furnished by the secretary of state, an application for registration of that mark setting forth information including but not limited to the following:

(a) the name and business address of the person applying for registration and;

(i) if a corporation, the state of incorporation; ~~or,~~

(ii) if a limited liability company, the state of organization;

(iii) if a partnership, the state in which the partnership is organized and the names of the general partners, as specified by the secretary of state;

~~(b) the essential feature of the mark to be registered;~~

~~(c)~~(b) the goods or services on or in connection with which the mark is used and the mode or manner in which the mark is used on or in connection with the goods or services and the class in which the goods or services fall;

~~(d)~~(c) the date when the mark was first used anywhere and the date when it was first used in this state by the applicant or ~~the applicant's~~ a predecessor in business; and

~~(e) a statement that the mark is presently in use in this state by the applicant; and~~

~~(f)~~(d) a statement that the applicant is the owner of the mark, that the mark is in use, and that, to the knowledge of the person verifying the application, no other person has registered the mark, either federally or in this state, or has the right to use the mark in this state either in the identical form or in a form that so nearly resembles it that it might be calculated to deceive or might be mistaken for it the mark as to be likely, when applied to the goods or services of the other person, to cause confusion, to cause mistake, or to deceive.

(2) The secretary of state may require a statement as to whether an application to register the mark or portions or a composite of the mark has been filed by the applicant or a predecessor in interest in the United States patent and trademark office. If an application has been filed, the applicant shall provide complete information with respect to that filing, including the filing date and serial number of each application, the status of each application, and if any application was finally refused registration or has otherwise not resulted in a

registration, the reasons for nonregistration.

(3) The secretary of state may require that a drawing of the mark, complying with requirements that the secretary of state may specify, accompany the application.

~~(2)~~(4) The application must be signed and verified by the applicant or a member of the firm or limited liability company or an officer of the corporation or association applying.

~~(3)~~(5) The application must be accompanied by ~~two copies of a specimen or facsimile of three specimens~~ showing the mark as actually used.

~~(4)~~(6) The application for registration must be accompanied by a filing fee as provided for in 30-13-320."

NEW SECTION. Section 4. Filing of applications. (1) Upon the filing of an application for registration and payment of the application fee, the secretary of state may cause the application to be examined for conformity with this part.

(2) The applicant shall provide any additional pertinent information requested by the secretary of state, including a description of a design mark, and may make or authorize the secretary of state to make amendments to the application that may be reasonably requested by the secretary of state or considered by the applicant to be advisable to respond to any rejection or objection.

(3) The secretary of state may require the applicant to disclaim an unregistrable component of a mark otherwise registerable, and an applicant may voluntarily disclaim a component of a mark sought to be registered. A disclaimer may not prejudice or affect the applicant's or registrant's rights then existing or later arising in the disclaimed matter or the applicant's or registrant's rights of registration on another application if the disclaimed matter is or has become distinctive of the applicant's or registrant's goods or services.

(4) Amendments may be made by the secretary of state upon the application submitted by the applicant upon the applicant's agreement, or the secretary of state may require that a new application be submitted.

(5) If the applicant is found not to be entitled to registration, the secretary of state shall advise the applicant of that finding and of the reasons for the finding. The applicant must have a reasonable period of time, specified by the secretary of state, in which to reply or to amend the application. In the event of a reply or amended application, the application must be reexamined. This procedure may be repeated until:

(a) the secretary of state finally refuses registration of the mark; or

(b) the applicant fails to reply or amend the application within the specified period, in which case the application is considered abandoned.

(6) If the secretary of state finally refuses registration of the mark, the applicant may seek a writ of

mandamus to compel registration. The writ may be granted, but without costs to the secretary of state, on proof that all the statements in the application are true and that the mark is otherwise entitled to registration.

(7) If applications are concurrently being processed by the secretary of state seeking registration of the same or confusingly similar marks for the same or related goods or services, the secretary of state shall grant priority to the applications in order of filing. If a prior application is granted a registration, the other application or applications must be rejected. A rejected applicant may bring an action for cancellation of the registration upon grounds of prior or superior rights to the mark in accordance with the provisions of 30-13-318.

Section 5. Section 30-13-312, MCA, is amended to read:

"30-13-312. ~~Filing application and issuing certificate~~ Certificate of registration. (1) ~~One original and one copy of an application for registration of a mark must be delivered to the secretary of state. If the secretary of state finds that the application complies with the requirements of this part, he shall, when all fees have been paid as prescribed in this part:~~

~~_____ (a) endorse on the original and the copy the word "filed" and the month, day, and year of the filing thereof;~~

~~_____ (b) file the original in his office; and~~

~~_____ (c) issue a certificate of registration to which he shall affix the copy.~~

~~_____ (2) The certificate of registration, together with the copy of the application for registration of mark affixed thereto, shall be returned~~ Upon compliance by the applicant with the requirements of this part, the secretary of state shall cause a certificate of registration to be issued and delivered to the applicant. The certificate of registration must be issued under the signature of the secretary of state and the seal of the state. The certificate must show:

(a) the name and business address of the person claiming ownership of the mark and, if a corporation, the state of incorporation or, if a partnership, the state in which the partnership is organized and the names of the general partners, as specified by the secretary of state;

(b) the date claimed for the first use of the mark anywhere and the date claimed for the first use of the mark in this state;

(c) the class of goods or services and a description of the goods or services on or in connection with which the mark is used;

(d) a reproduction of the mark; and

(e) the registration date and the term of the registration.

~~(3)~~(2) Any certificate of registration issued by the secretary of state under the provisions of this section or a copy ~~thereof~~ of the certificate duly certified by the secretary of state is admissible in evidence as competent and sufficient proof of the registration of ~~such~~ the mark in any judicial proceeding in any court of this state."

Section 6. Section 30-13-313, MCA, is amended to read:

"30-13-313. Duration and renewal. (1) Registration of a mark under this part is effective for a term of ~~10~~ 5 years from the date of registration, and upon application filed within 6 months prior to the expiration of ~~such~~ that term, in a manner complying with the requirements of the secretary of state, the registration may be renewed for another ~~10~~ 5 years.

~~(2) An application for renewal of mark registration must be delivered to the secretary of state and shall set forth information including but not limited to the following:~~

~~—— (a) the name and business address of the applicant;~~

~~—— (b) a description of the mark; and~~

~~—— (c) a statement that the mark is still in use by the applicant in this state.~~

~~—— (3) The application for renewal of mark registration must be signed by the applicant.~~

~~(4)~~(2) The application for renewal of mark registration must be accompanied by a filing fee as provided for in 30-13-320.

(3) A registration may be renewed for successive periods of 5 years as provided in subsection (1).

(4) Any registration in force on [the effective date of this act] continues in full force and effect for the unexpired term of the registration and may be renewed by filing an application for renewal with the secretary of state complying with the requirements of the secretary of state and paying the renewal fee within 6 months prior to the expiration of the registration.

(5) All applications for renewal under this part must include a verified statement that the mark has been and is still in use and include a specimen showing actual use of the mark on or in connection with the goods or services."

Section 7. Section 30-13-315, MCA, is amended to read:

"30-13-315. Assignment -- change of name -- other instruments. (1) Any mark and its registration under this part may be assigned in conjunction with the good will of the business in which the mark is used or with that part of the good will of the business connected with the use of and symbolized by the mark. An assignment must be by written, duly executed instruments and may be recorded with the secretary of state upon the payment

of the recording fee payable to the secretary of state. Upon recording the assignment, the secretary of state shall issue a new certificate in the name of the assignee for the remainder of the term of the current registration. An assignment of any registration under this part is void as against any subsequent purchaser for valuable consideration without notice unless it is recorded with the secretary of state within 3 months after the date of the assignment or prior to such the subsequent purchase.

~~(2) One original and one copy of an assignment of a mark must be delivered to the secretary of state and shall set forth information including but not limited to the following:~~

~~—— (a) the name and address of the assignor;~~

~~—— (b) the name and address of the assignee;~~

~~—— (c) the registration number of the mark; and~~

~~—— (d) the date of registration.~~

~~—— (3) The assignment of a mark must be signed and verified by the assignor.~~

~~—— (4) The assignment of a mark must be accompanied by a filing fee as provided for in 30-13-320.~~

(2) Any applicant or registrant effecting a change of the name of the person to whom the mark was issued or for whom an application was filed may record a certificate of change of name of the applicant or registrant with the secretary of state upon the payment of the recording fee. The secretary of state may issue in the name of the assignee a certificate of registration of an assigned application. The secretary of state may issue, in the name of the assignee, a new certificate of registration for the remainder of the term of the registration or last renewal of the registration.

(3) Other instruments that relate to a mark registered or an application pending pursuant to this part, such as licenses, security interests, or mortgages, may be recorded at the discretion of the secretary of state if the instrument is in writing and is duly executed.

(4) An acknowledgment is prima facie evidence of the execution of an assignment or other instrument, and when recorded by the secretary of state, the record is prima facie evidence of execution.

(5) A photocopy of any instrument referred to in subsections (1) through (3) must be accepted for recording if it is certified by any of the parties to the instrument or their successors to be a true and correct copy of the original."

Section 8. Section 30-13-317, MCA, is amended to read:

"30-13-317. Records. The secretary of state shall keep for public examination a record of all marks registered or renewed under this part as well as a record of all documents recorded pursuant to 30-13-315."

Section 9. Section 30-13-318, MCA, is amended to read:

"30-13-318. Cancellation. The secretary of state shall cancel from the register, in whole or in part:

~~(1) after July 1, 1981, each registration made prior to July 1, 1980, that is more than 10 years old and not renewed in accordance with this part;~~

~~(2)(1) any registration for concerning which he the secretary of state receives a written voluntary request for cancellation, signed and verified by from the registrant or the assignee of record and accompanied by fees as prescribed in this part;~~

~~(3)(2) each registration granted under this part and not renewed in accordance with the provisions of this part;~~

~~(4)(3) any registration concerning which a court of competent jurisdiction finds that:~~

~~(a) the registered mark has been abandoned;~~

~~(b) the registrant is not the owner of the mark;~~

~~(c) the registration was granted improperly;~~

~~(d) the registration was obtained fraudulently;~~

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

~~(e)(f) the registered mark is so similar to a mark currently registered by another person in the United States patent and trademark office prior to the filing date of the application for registration under this part as to be likely to cause confusion or mistake or to deceive. However, if the registrant proves that he the registrant is the owner of a concurrent registration of his a mark in the United States patent and trademark office covering an area including this state, the registration under this part may not be canceled.~~

~~(5)(4) a registration that is ordered to be canceled by a court of competent jurisdiction on any grounds."~~

Section 10. Section 30-13-331, MCA, is amended to read:

"30-13-331. Classification. ~~(1) The following general classes~~ secretary of state shall adopt rules establishing a classification of goods and services ~~are established~~ for convenience of administration of this part. ~~This~~ The classification does not limit or extend the applicant's or registrant's rights. A single application for registration of a mark may include any or all goods upon which or services ~~comprised in a single class with regard to~~ with which the mark is actually being used indicating the appropriate class or classes of goods or services. ~~However, in no event may~~ When a single application ~~include~~ includes goods or services that fall within ~~different multiple classes, of goods or services~~ the secretary of state may require payment of a fee for each class. To the

extent practical, the classification of goods and services must conform to the classification adopted by the United States patent and trademark office.

~~(2) The classes of goods are as follows:~~

- ~~—— (a) raw or partly prepared materials;~~
- ~~—— (b) receptacles;~~
- ~~—— (c) baggage, animal equipments, portfolios, and pocketbooks;~~
- ~~—— (d) abrasive and polishing materials;~~
- ~~—— (e) adhesives;~~
- ~~—— (f) chemicals and chemical compositions;~~
- ~~—— (g) cordage;~~
- ~~—— (h) smokers' articles, not including tobacco products;~~
- ~~—— (i) explosives, firearms, equipment, and projectiles;~~
- ~~—— (j) fertilizers;~~
- ~~—— (k) inks and inking materials;~~
- ~~—— (l) construction materials;~~
- ~~—— (m) hardware and plumbing and steamfitting supplies;~~
- ~~—— (n) metals and metal casting and forgings;~~
- ~~—— (o) oils and greases;~~
- ~~—— (p) paints and painters' materials;~~
- ~~—— (q) tobacco products;~~
- ~~—— (r) medicines and pharmaceutical preparations;~~
- ~~—— (s) vehicles;~~
- ~~—— (t) linoleum and oil cloth;~~
- ~~—— (u) electrical apparatus, machines, and supplies;~~
- ~~—— (v) games, toys, and sporting goods;~~
- ~~—— (w) cutlery, machinery, and tools, and parts thereof;~~
- ~~—— (x) laundry appliances and machines;~~
- ~~—— (y) locks and safes;~~
- ~~—— (z) measuring and scientific appliances;~~
- ~~—— (aa) horological instruments;~~
- ~~—— (bb) jewelry and precious metal ware;~~

- ~~—— (cc) brooms, brushes, and dusters;~~
- ~~—— (dd) crockery, earthenware, and porcelain;~~
- ~~—— (ee) filters and refrigerators;~~
- ~~—— (ff) furniture and upholstery;~~
- ~~—— (gg) glassware;~~
- ~~—— (hh) heating, lighting, and ventilating apparatus;~~
- ~~—— (ii) belting, hose, machinery packing, and nonmetallic tires;~~
- ~~—— (jj) musical instruments and supplies;~~
- ~~—— (kk) paper and stationery;~~
- ~~—— (ll) prints and publications;~~
- ~~—— (mm) clothing;~~
- ~~—— (nn) fancy goods, furnishings, and notions;~~
- ~~—— (oo) canes, parasols, and umbrellas;~~
- ~~—— (pp) knitted, netted, and textile fabrics, and substitutes therefor;~~
- ~~—— (qq) thread and yarn;~~
- ~~—— (rr) dental, medical, and surgical appliances;~~
- ~~—— (ss) soft drinks and carbonated waters;~~
- ~~—— (tt) foods and ingredients of foods;~~
- ~~—— (uu) wines;~~
- ~~—— (vv) malt beverages and liquors;~~
- ~~—— (ww) distilled alcoholic liquors;~~
- ~~—— (xx) merchandise not otherwise classified;~~
- ~~—— (yy) cosmetics and toilet preparations;~~
- ~~—— (zz) detergents and soaps.~~
- ~~—— (3) The classes of services are as follows:~~
 - ~~—— (a) miscellaneous;~~
 - ~~—— (b) advertising and business;~~
 - ~~—— (c) insurance and financial;~~
 - ~~—— (d) construction and repair;~~
 - ~~—— (e) communications;~~
 - ~~—— (f) transportation and storage;~~

- (g) material treatment;
 — (h) education and entertainment."

Section 11. Section 30-13-332, MCA, is amended to read:

"30-13-332. Fraudulent registration. Any person who, for ~~himself~~ the person's own sake or on behalf of any other person, procures the filing or registration of any mark in the office of the secretary of state under the provisions of this part by knowingly making any false or fraudulent representation or declaration, verbally or in writing or by any other fraudulent means, is liable to pay all damages sustained in consequence of ~~such the~~ filing or registration. ~~Such damages~~ Damages may be recovered by or on behalf of the injured party in any court of competent jurisdiction."

Section 12. Section 30-13-333, MCA, is amended to read:

"30-13-333. Infringement. (1) Subject to the provisions of 30-13-336 and subsection (2) of this section, ~~any a~~ person is liable in a civil action brought by the ~~lawful owner of a registered mark~~ registrant under 30-13-335 if ~~such the~~ person:

(a) uses, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of a mark registered under this part in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which ~~such the~~ use is likely to cause confusion or mistake or to deceive as to the source of origin of ~~such the~~ goods or services; or

(b) reproduces, counterfeits, copies, or colorably imitates any ~~such registered~~ mark and applies ~~such the~~ reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in conjunction with the sale or other distribution in this state of ~~such the~~ goods or services.

(2) However, the registrant is not entitled to recover under subsection (1)(b) any profits or damages unless the acts have been committed with knowledge that ~~such the~~ mark is intended to be used to cause confusion or mistake or to deceive."

Section 13. Section 30-13-334, MCA, is amended to read:

"30-13-334. Injury to business reputation -- dilution. (1) ~~Likelihood of injury to business reputation or of~~ The owner of a mark that is famous in this state is entitled, subject to the principles of equity and upon terms that seem reasonable to the court, to an injunction against another person's commercial use of a mark or trade

name if the use begins after the mark has become famous and causes dilution of the distinctive quality of a the mark registered under this part or a mark valid at common law or a trade name valid at common law is grounds for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services and may obtain other relief as provided in this section.

(2) In determining whether a mark is distinctive and famous, a court may consider factors including but not limited to:

(a) the degree of inherent or acquired distinctiveness of the mark in this state;

(b) the duration and extent of use of the mark in connection with the goods and services with which the mark is used;

(c) the duration and extent of advertising and publicity of the mark in this state;

(d) the geographical extent of the trading area in which the mark is used;

(e) the channels of trade for the goods or services with which the mark is used;

(f) the degree of recognition of the mark in the trading areas and channels of trade in this state used by the mark's owner and the person against whom the injunction is sought;

(g) the nature and extent of use of the same or similar mark by third parties; and

(h) whether the mark is the subject of a registration in this state or a federal registration under the act of March 3, 1881, or under the act of February 20, 1905, or on the principal register.

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

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

(a) fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark;

(b) noncommercial use of the mark; or

(c) all forms of news reporting and news commentary."

Section 14. Section 30-13-335, MCA, is amended to read:

"30-13-335. Remedies. (1) ~~Any~~ An owner of a mark registered under this part may proceed by suit to enjoin the manufacture, use, display, or sale of any counterfeits or imitations of the mark. Any court of competent jurisdiction may grant injunctions to restrain ~~such~~ the manufacture, use, display, or sale as is considered by the

court to be just and reasonable. The court may require the defendants to pay to ~~such the~~ owner all profits derived from ~~and/or and~~ all damages suffered by reason of ~~such the~~ wrongful manufacture, use, display, or sale. The court may also order that any ~~such~~ counterfeits or imitations in the possession or under the control of any defendant in ~~such the~~ case be delivered to an officer of the court or to the complainant to be destroyed. The court, in its discretion, may enter judgment for an amount not to exceed three times the profits and damages and reasonable attorney fees of the prevailing party in cases in which the court finds that the other party committed the wrongful acts with knowledge, in bad faith, or otherwise as according to the circumstances of the case.

(2) The enumeration in this part of any right or remedy does not affect a registrant's right to prosecute under any criminal law of this state."

NEW SECTION. Section 15. Forum for actions regarding registration -- service on out-of-state registrants. (1) Actions to require cancellation of a mark registered pursuant to this part or in mandamus to compel registration of a mark pursuant to this part must be brought in district court. In an action in mandamus, the proceeding must be based solely upon the record before the secretary of state. In an action for cancellation, the secretary of state may not be made a party to the proceeding but must be notified of the filing of the complaint by the clerk of the court in which the action is filed and must be given the right to intervene in the action.

(2) In any action brought against a nonresident registrant, service may be effected upon the secretary of state as agent for service of the registrant in accordance with the procedures established for service upon nonresident corporations and business entities under Rule 4D of the Montana Rules of Civil Procedure.

NEW SECTION. Section 16. Repealer. Sections 30-13-302, 30-13-314, 30-13-316, 30-13-319, and 30-13-341, MCA, are repealed.

NEW SECTION. Section 17. Codification instruction. [Sections 4 and 15] are intended to be codified as an integral part of Title 30, chapter 13, part 3, and the provisions of Title 30, chapter 13, part 3, apply to [sections 4 and 15].

NEW SECTION. Section 18. Effective date. [This act] is effective July 1, 2003.

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