

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 8-12-6, 8-12-10, 8-12-14, 8-12-17, and 8-12-18, Code of Alabama 1975, are amended to read as follows:

§ 8-12-6. Definitions.

As used in this article, the following terms shall have the following meanings, respectively, unless the context clearly indicates otherwise:

(1) APPLICANT. The person filing an application for registration of a mark under this article, his legal representative, successors, or assigns.

(2) DILUTION. Dilution by blurring or dilution by tarnishment, regardless of the presence or absence of:

a. competition between the owner of the famous mark and other parties, or

b. actual or likely confusion, mistake, or deception, or

c. actual economic injury.

(3) DILUTION BY BLURRING. The association arising from the similarity between a mark and a famous mark that impairs the distinctiveness of the famous mark.

(4) DILUTION BY TARNISHMENT. The association arising from the similarity between a mark and a famous mark that harms the reputation of the famous mark.

(~~2~~ 5) MARK. Any trade name, trademark, or service mark entitled to registration under this article whether registered or not.

(~~3~~ 6) PERSON. Any individual, firm, partnership, corporation, association, union, or other organization.

(~~4~~ 7) REGISTRANT. The person to whom the registration of a mark under this article is issued, his legal representative, successors, or assigns.

(~~5~~ 8) SERVICE MARK. Any word, name, symbol, character, or device, or any combination thereof and the distinctive feature of radio, television, or other advertising adopted and used by a person to identify services rendered or

offered by him and to distinguish them from the services of others.

(~~6~~ 9) TRADEMARK. Any word, name, symbol, character, design, drawing, or device, or any combination thereof adopted and used by a person to identify goods made or sold by him and to distinguish them from goods made or sold by others.

(~~7~~ 10) TRADE NAME. A word, name, symbol, character, design, drawing, device, or any combination thereof adopted and used by a person to identify his business (including vocation, occupation, or profession), and distinguish it from the business of others.

(~~8~~ 11) USED. A mark shall be deemed to be "used" in this state:

- a. On goods or their containers or the displays associated therewith or on the tags or labels affixed thereto when such goods are sold or otherwise distributed in the state;

b. In connection with services when it is used or displayed in the sale or advertising of services and the services are rendered in this state; and

c. In connection with a business when it identifies the business to persons in this state.

Alabama Comment to the 2010 Amendments

The Alabama Trademark Act did not contain a definition of the terms “dilution”, dilution by blurring” or “dilution by tarnishment”. The amendment adopts the definition of these terms from the Model State Trademark Bill, as amended in 2007.

§ 8-12-10. Effective term of trademark registration; renewal; expiration.

(a) Registration of a mark under this article shall be effective for a term of 5 ~~10~~ years from the date of registration and, if the mark is then still in use, upon application filed within six months prior to the expiration of such term, on a form to be furnished by the Secretary of State, the registration may be renewed for a like term. A renewal fee of \$30, payable to the Secretary of State, shall accompany the application for renewal of the registration.

(b) A mark registration may be renewed for successive periods of 5 ~~10~~ years in like manner.

(c) The Secretary of State shall notify registrants of marks under this article of the necessity of renewal within the year next preceding the expiration of 5~~10~~ years from the date of registration, and within the year next preceding the expiration of 5 years from the date of any renewal of a registration, by writing to the last known address (physical, electronic, or otherwise) of the registrants.

~~(d) Any registration in the office of Secretary of State on January 1, 1981, shall expire one year after January 1, 1981, unless registered in accordance with the provisions of this article.~~

(d) Any registration in force on the date on which this Act becomes effective shall continue in full force and effect for the unexpired term thereof 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 therefore within six months prior to the expiration of the registration.

(e) All applications for renewals under this article, whether of registrations made under this article or of registrations effected under any prior act, shall include a statement that the mark is still in use in this state.

~~(f) The Secretary of State shall, within six months after January 1, 1981, notify all existing registrants of marks which were filed in the Secretary of State's office under previous acts or by informal registration, of the date of expiration of such registrations unless registered in accordance with the provisions of this article, by writing to the last known address of the registrants.~~

Alabama Comment to the 2010 Amendments

Subsection (a) provides for duration of the registration for a period of 5 years with right of renewal for successive periods of 5 years if the mark is then still in use. This provides a means for the automatic elimination from the register of marks which are no longer in use. Providing for an initial term of 5 years brings this article into greater conformity with the federal registration system which requires an initial maintenance filing within the 5th and 6th years of federal registration.

A mark may be renewed for successive periods of 5 years and there is no limit on the number of renewals which may be filed. Therefore, registration of a mark could continue for an unlimited period, provided that the registration is renewed every five years.

Subsection (c) requires the Secretary of State to notify registrants of marks of the necessity of renewal within the year prior to expiration. The reference to how notification can be effectuated is meant to make clear that while notification must be provided on an individualized basis, the notification does not have to be made in writing on paper, but can be made in any medium allowable under law including Alabama's adoption of the Uniform Electronic Transaction Act found at Alabama Code §8-1A-1.

Subsection (d) allows that all registrations which are current as of the passing of this act are valid for the remainder of the term for which they were originally registered. For example a mark which was registered for two years prior to the effective date of this act would remain in force for eight years at which time it could be renewed for a five year period.

§ 8-12-14. Classification of goods and services.

~~(a) — The following general classes of goods, services, and business are established for convenience of administration of this article, but not to 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 or business with which, the mark is actually being used~~

~~comprised in a single class, but in no event shall a single application include goods, services, or business upon which the mark is being used which fall within different classes of goods, services, or business.~~

~~_____ (b) _____ The said classes are as follows:~~

(a) _____ The following general classes of goods, services and business are established for convenience of administration of this Act, but not to limit or extend the applicant's or registrant's rights, and a single application for registration of a mark may include any or all goods upon which, or services or business with which, the mark is actually being used indicating the appropriate class or classes of goods, services or business. When a single application includes goods, services or business which fall within multiple classes, the Secretary of State may require payment of a fee for each class.

_____ (b) _____ The classification of goods and services shall be the classification of goods and services adopted by the United States Patent and Trademark Office, as amended from time to

time, except that nothing in this subparagraph shall prevent the registration of a trade name.

(c) The classification of businesses is as follows:

~~(1) Chemical products used in industry, science, photography, agriculture, horticulture, forestry, artificial and synthetic resins; plastics in the form of powders, liquids, or pastes, for industrial use; manures (natural and artificial); fire extinguishing compositions; tempering substances and chemical preparations for soldering; chemical substances for preserving foodstuffs; tanning substances; adhesive substances used in industry.~~

~~(2) Paints, varnishes, lacquers; preservatives against rust and against deterioration of wood; coloring matters; dyestuffs; mordants; natural resins; metals in foil and powder form for painters and decorators.~~

~~(3) Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring, and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair~~

lotions; dentifrices:

(4) — Industrial oils and greases (other than oils and fats and essential oils); lubricants; dust laying and absorbing compositions; fuels (including motor spirit) and illuminants; candles, tapers, night-lights, and wicks.

(5) — Pharmaceutical, veterinary, and sanitary substances; infants' and invalids' foods; plasters, material for bandaging; material for stopping teeth, dental wax; disinfectants; preparations for killing weeds and destroying vermin.

(6) — Unwrought and partly wrought common metals and their alloys; anchors, anvils, bells, rolled and cast building materials; rails and other metallic materials for railway tracks; chains (except driving chains for vehicles); cables and wires (nonelectric); locksmiths' work; metallic pipes and tubes; safes and cash boxes; steel balls; horseshoes; nails and screws; other goods in nonprecious metal not included in other classes; ores.

(7) — Machines and machine tools; motors (except for

~~land vehicles); machine couplings and belting (except for land vehicles); large size agricultural implements; incubators.~~

~~(8) — Hand tools and instruments; cutlery, forks, and spoons; side arms.~~

~~(9) — Scientific, nautical, surveying, and electrical apparatus and instruments (including wireless), photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), lifesaving, and teaching apparatus and instruments; coin or counter-freed apparatus; talking machines; cash registers; calculating machines; fire extinguishing apparatus.~~

~~(10) — Surgical, medical, dental, and veterinary instruments and apparatus (including artificial limbs, eyes, and teeth).~~

~~(11) — Installations for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply, and sanitary purposes.~~

~~(12) — Vehicles; apparatus for locomotion by land, air,~~

~~or water.~~

~~(13) —Firearms, ammunition, and projectiles; explosive substances; fireworks.~~

~~(14) —Precious metals and their alloys and goods in precious metals or coated therewith (except cutlery, forks, and spoons); jewelry, precious stones, horological and other chronometric instruments.~~

~~(15) —Musical instruments (other than talking machines and wireless apparatus).~~

~~(16) —Paper and paper articles, cardboard and cardboard articles; printed matter, newspaper and periodicals, books; bookbinding material; photographs; stationery, adhesive materials (stationery); artists' materials; paintbrushes; typewriters and office requisites (other than furniture); instructional and teaching material (other than apparatus); playing cards; printers' type and clichés (stereotype).~~

~~(17) —Gutta-percha, india rubber, balata, and substitutes, articles made from these substances and not~~

~~included in other classes; plastics in the form of sheets, blocks, and rods, being for use in manufacture; materials for packing, stopping, or insulating; asbestos, mica, and their products; hose pipes (nonmetallic).~~

~~(18) — Leather and imitations of leather, and articles made from these materials and not included in other classes; skins, hides; trunks and travelling bags; umbrellas, parasols, and walking sticks; whips, harness, and saddlery.~~

~~(19) — Building materials, natural and artificial stone, cement, lime, mortar, plaster, and gravel; pipes of earthenware or cement; road-making materials; asphalt, pitch, and bitumen; portable buildings; stone monuments; chimney pots.~~

~~(20) — Furniture, mirrors, picture frames; articles (not included in other classes) of wood, cork, reeds, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum, celluloid, substitutes for all these materials, or of plastics.~~

~~(21) — Small domestic utensils and containers (not of~~

~~precious metals, or coated therewith); combs and sponges;
brushes (other than paintbrushes); brush-making materials;
instruments and material for cleaning purposes, steel wool;
unworked or semiworked glass (excluding glass used in
building); glassware, porcelain, and earthenware, not included
in other classes.~~

~~(22) — Ropes, string, nets, tents, awnings, tarpaulins,
sails, sacks; padding and stuffing materials (hair, kapok,
feathers, seaweed, etc.); raw fibrous textile materials.~~

~~(23) — Yarns, threads.~~

~~(24) — Tissues (piece goods); bed and table covers;
textile articles not included in other classes.~~

~~(25) — Clothing, including boots, shoes, and slippers.~~

~~(26) — Lace and embroidery, ribands and braid; buttons,
press buttons, hooks and eyes, pins and needles; artificial
flowers.~~

~~(27) — Carpets, rugs, mats, and matting; linoleums and
other materials for covering existing floors; wall hangings~~

(nontextile):

~~(28) — Game and playthings; gymnastic and sporting articles (except clothing); ornaments and decorations for Christmas trees.~~

~~(29) — Meats, fish, poultry, and game; meat extracts; preserved, dried, and cooked fruits and vegetables; jellies, jams; eggs, milk, and other dairy products; edible oils and fats; preserves, pickles.~~

~~(30) — Coffee, tea, cocoa, sugar, rice, tapioca, sago, coffee substitutes; flour, and preparations made from cereals; bread, biscuits, cakes, pastry, and confectionary, ices; honey, treacle; yeast, baking powder; salt, mustard, pepper, vinegar, sauces, spices; ice.~~

~~(31) — Agricultural, horticultural, and forestry products and grains not included in other classes; living animals; fresh fruits and vegetables; seeds; live plants and flowers; foodstuffs for animals, malt.~~

~~(32) — Beer, ale, and porter; mineral and aerated waters~~

~~and other nonalcoholic drinks; syrups and other preparations
for making beverages.~~

~~(33) — Wines, spirits, and liqueurs.~~

~~(34) — Tobacco, raw or manufactured; smokers' articles;~~

~~matches.~~

~~Services:~~

~~(35) — Advertising and business.~~

~~(36) — Insurance and financial.~~

~~(37) — Construction and repair.~~

~~(38) — Communication.~~

~~(39) — Transportation and storage.~~

~~(40) — Material treatment.~~

~~(41) — Education and entertainment.~~

~~(42) — Miscellaneous.~~

~~Business:~~

~~(43) (1) Agriculture, forestry, and fisheries.~~

~~(44) (2) Mining.~~

~~(45) (3) Construction.~~

~~(46)~~ (4) Manufacturing, nondurable goods.

~~(47)~~ (5) Manufacturing, durable goods.

~~(48)~~ (6) Transportation, communications, and other public utilities.

~~(49)~~ (7) Wholesale trade, nondurable goods.

~~(50)~~ (8) Wholesale trade, durable goods.

~~(51)~~ (9) Retail trade - lumber and building materials, hardware, nurseries and garden stores, and mobile home dealers.

~~(52)~~ (10) Retail trade - department, variety, miscellaneous general merchandise, grocery, dairy products, retail bakery, and food stores.

~~(53)~~ (11) Retail trade - motor vehicle dealers, auto and home supply stores, gasoline service stations, and miscellaneous vehicle dealers.

~~(54)~~ (12) Retail trade - apparel, accessory, and shoe stores.

~~(55)~~ (13) Retail trade - furniture, home furnishings,

household appliances, T.V. and radio stores.

~~(56)~~ (14) Retail trade - eating and drinking places, drugstores, and liquor stores.

~~(57)~~ (15) Retail trade – sporting goods, bicycles, and hobby stores.

~~(58)~~ (16) Retail trade - book, stationery, jewelry, sewing, needlework, and piece-goods stores.

~~(59)~~ (17) Retail trade - mail-order houses, vending machine operators, and direct selling establishments, fuel and ice dealers, and retail florists.

~~(60)~~ (18) Retail trade - miscellaneous.

~~(61)~~ (19) Finance, insurance, and real estate.

~~(62)~~ (20) Business and repair services.

~~(63)~~ (21) Personal services.

~~(64)~~ (22) Entertainment and recreation services.

~~(65)~~ (23) Professional and related services.

~~(66)~~ (24) Public administration.

~~(67)~~ (25) Miscellaneous.

Alabama Comment to the 2010 Amendments

The classification of goods and services section of the Alabama Trademark Act is replaced by the classification of goods and services language of the Model State Trademark Bill as amended in 2007, with two adjustments. First, the Alabama Trademark Act, unlike the Model Bill, provides for the registration of trade names as well as trademarks and service marks; therefore, the amendment makes minor changes to the language to allow for classifications for trade names, and adds the current classifications for trade names provided in the Alabama Trademark Act.

Second, the amendment adopts the notion of the Model Bill that the classification of goods and services shall be the classification adopted by the United States Patent and Trademark Office, but the amendment directly adopts this classification instead of authorizing the Secretary of State to do so by regulation, and adds “as amended from time to time,” in recognition of the fact that the United States Patent and Trademark Office amends those classifications over time. The classification adopted by the United States Patent and Trademark Office may be accessed at the USPTO website at <http://www.uspto.gov>.

§ 8-12-17. Dilution.

~~Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this article, or a mark valid at common law, including a trade name valid at common law, shall be a ground for injunctive relief notwithstanding the absence of competition between the~~

~~parties or the absence of confusion as to the source of goods or services.~~

(a) Subject to the principles of equity, the owner of a mark which is famous and distinctive, inherently or through acquired distinctiveness, in this state shall be entitled to an injunction against another person's commercial use of a mark, if such use begins after the mark has become famous and is likely to cause dilution of the famous mark, and to obtain such other relief as is provided in this section.

(b) A mark is famous if it is widely recognized by the general consuming public of this state or a significant geographic area in this state as a designation of source of the goods or services or of the business of the mark's owner. In determining whether a mark is famous, a court may consider factors such as, but not limited to:

(1) The duration, extent, and geographic reach of advertising and publicity of the mark in this state, whether advertised or publicized by the owner or

third parties;

(2) The amount, volume, and geographic extent of sales offered under the mark in this state;

(3) The extent of actual recognition of the mark in this state or a significant geographic area in this state; and

(4) Whether the mark is the subject of a state 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 under the Trademark Act of 1946, as amended.

(c) In an action brought under this section, the owner of a famous mark shall be entitled to injunctive relief throughout the geographic area in which the mark is found to have become famous prior to commencement of the junior use, but not beyond the borders of this state. If the person against whom the injunctive relief is sought willfully intended to cause dilution of the famous mark, then the owner shall also be

entitled to the remedies set forth in this chapter, subject to the discretion of the court and the principles of equity.

(d) The following shall not be actionable under this section:

(1) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services or business, including use in connection with

(A) Advertising or promotion that permits consumers to compare goods or services or businesses; or

(B) Identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services or business of the famous mark owner;

(2) Noncommercial use of the mark; and all forms of news reporting and news commentary.

Alabama Comment to the 2010 Amendments

The dilution section of the Alabama Trademark Act is replaced by the dilution language of the Model State Trademark Bill as amended in 2007, with two minor adjustments. First, the Alabama Trademark Act, unlike the Model Bill, provides for the registration of trade names as well as trademarks and service marks; therefore, the amendment makes minor changes to the language to allow for dilution of a trade name.

Second, the amendment adopts the language of the Model Bill that if a mark is “famous” it may be protected against dilution. The amendment adopts the notion that a mark may be famous, and thus may qualify for protection against dilution, in an area that is less than the entire State. The amendment provides, however, that for a mark to be famous it must be “widely recognized by the general consuming public of this State or a significant geographic area in this State”. The amendment recognizes that a mark may qualify as famous even though its general reputation does not reach all four borders of the State; but, the standard is that the mark must truly be “famous” (see the factors set forth in §8-12-17(b)). The modifier “significant” is intended to counter the notion that a mark may be made famous simply by drawing the boundaries sufficiently narrowly.

Subsection (c) allows for relief in addition to, or other than, injunctive relief when the person against whom relief is sought “willfully intended to cause dilution.” The term “willfully intended” is imported from the federal trademark law, 15 U.S.C. § 1125(c)(5)(B), to convey that the anti-dilution provision requires more than that the one who adopts a diluting mark intended to adopt that mark while aware of the existence of the famous mark. There must have been a willful (not merely incidental) intent to blur or to tarnish the famous

mark.

§ 8-12-18. Remedies.

(a) Any owner of a mark registered under this article may proceed by suit to enjoin the manufacture, use, display, or sale of any counterfeits or imitations thereof and any court of competent jurisdiction may grant injunctions to restrain such manufacture, use, display, or sale as may be by the said court deemed just and reasonable, and may require the defendants to pay to such owner all profits derived from and/or all damages suffered by reason of such wrongful manufacture, use, display, or sale, and to pay the costs of the action. In assessing profits, the owner shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed. ~~and such~~ The court may also order that any such counterfeits or imitations in the possession or under the control of any defendant in such case, be delivered to an officer of the court, or to the complainant, to be destroyed.

(b) The court, in its discretion, may enter judgment against the defendant for an amount not to exceed three times such profits and/or damages in such cases when the court finds the defendant willfully intended infringement or dilution.

(c) The court, in its discretion, may award reasonable attorney fees:

(i) to a prevailing owner in such cases when the court finds the defendant willfully intended infringement or dilution; or

(ii) to a prevailing defendant in such cases when the court finds the owner pursued a claim in bad faith.

~~(b)~~(d) The enumeration of any right or remedy in this article shall not affect an registrant's owner's right to prosecute under any penal law of this state.

Comments

When "owner" is used throughout this section, it is meant to refer to the owner of a mark registered under this

article.

Subsection (a) was revised to address, procedurally, the burden of proof associated with the assessment of profits. The revision requires the owner to prove only the defendant's sales, and the defendant to prove all elements of cost or deduction claimed. This revision adopts the corresponding procedural requirements directly from the Lanham Act, 15 U.S.C. 1117.

New subsections (b) and (c) were added to allow for the recovery of enhanced damages and attorneys' fees in a manner that is largely consistent with the Lanham Act. Preexisting subsection (b) was amended for consistency with the remaining provisions, and is renumbered as subsection (d).

The revisions in new subsection (b) allow for enhanced damages when the defendant willfully intended the infringing activity or dilution. Enhanced damages were not previously available under this section, but have historically been available under the Lanham Act. This "willfully intended" standard is intended to refer to those actions that rise above the level of mere volition, but does not require that the act rise to the level of actual malice. The ability to recover enhanced damages differs from the standard in the Lanham Act which allows for the recovery of enhanced damages "according to the circumstances of the case". The "willfully intended" standard, however, is designed to correspond to the "exceptional case" standard under the Lanham Act which allows for the recovery of attorney fees. This standard is consistent with, and equal in scope to, the standard employed in the dilution section of the Alabama Trademark Act (Section 8-12-17), and the language used in Section 8-12-16, which refers to "acts committed with knowledge that such mark is intended to be used to cause confusion or mistake or to deceive." Enhanced damages are not available when a defendant reasonably, and in good faith,

believes such conduct is authorized by law. Whether to award enhanced damages is in the discretion of the trial court.

The revisions in new subsection (c) allow for the recovery of attorneys' fees to a prevailing party in limited circumstances. Attorneys' fees were not previously available under this section, but have historically been available under the Lanham Act. Subsection (c) is divided into (i) for a prevailing owner, and (ii) for a prevailing defendant. For clarity, the owner in this subsection is the owner of a mark registered under this article, and the defendant is the alleged infringer, even in the context of a declaratory judgment action. For a prevailing owner, the "willfully intended" standard is the same as required under subsection (b) for enhanced damages, and is designed to correspond to the "exceptional case" standard under the Lanham Act. Likewise, for a prevailing defendant, the "bad faith" standard is intended to be consistent with the Lanham Act which allows for recovery of attorneys' fees in "exceptional cases". The "bad faith" standard is intended to cover those circumstances when the owner asserted the claim for an anticompetitive or improper motive, or if the claim is found to be groundless, unreasonable, frivolous, or vexatious. These circumstances are consistent with previous awards of attorneys' fees under the Lanham Act. *See, e.g.,* *Welding Servs. v. Forman*, 301 Fed. Appx. 862 (11th Cir. 2008); *Tire Kingdom, Inc. v. Morgan Tire & Auto, Inc.*, 253 F.3d 1332 (11th Cir. 2001). Attorneys' fees are not intended to be available when an owner pursues what it reasonably, and in good faith, believes to be a viable cause of action, for proper purposes. Whether to award attorneys fees is in the discretion of the trial court.

Pre-existing subsection (b) has been renumbered subsection (d). Stylistic amendments were made to change "a registrant's" to "the owner" for consistency with the other uses of the term "owner" throughout section 8-12-18. The

amendment is not substantive.

These revisions are intended only to expand the damages available to the parties and are not intended to limit or curtail any damages otherwise available.

Section 2. This act shall become effective January 1, 2011.