

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Rules

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BILL: SB 198

INTRODUCER: Senator Berman

SUBJECT: Trademark Classifications

DATE: April 2, 2019

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Harmsen</u>	<u>McKay</u>	<u>CM</u>	<b>Favorable</b>
2.	<u>Kraemer</u>	<u>Imhof</u>	<u>IT</u>	<b>Favorable</b>
3.	<u>Harmsen</u>	<u>Phelps</u>	<u>RC</u>	<b>Pre-meeting</b>

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## I. Summary:

SB 198 updates Florida’s trademark and service mark classifications of goods and services for purposes of registration under Florida’s trademark law.

In order to register a trademark or service mark (mark) in Florida, a person must submit an application to the Florida Department of State (DOS) that contains, among other requirements, a sample of the good or service for which the mark is sought and the statutory class in which the good or service falls.<sup>1</sup> Both the federal and Florida laws that outline classifications of goods and services are based on the Nice International Classification of Goods and Services (Nice Classification), as administered by the World Intellectual Property Organization (WIPO). The bill conforms Florida’s statutory classes of goods and services for marks to the Nice Classification, 11th edition, version 2018.

The bill takes effect on July 1, 2019.

## II. Present Situation:

A registered mark distinguishes a good or service as unique, indicates its source, and provides rights to its owner to protect it from duplication and dilution by another person or entity. A trademark (signified by “TM”) protects a good while a service mark (signified by “SM”) protects a service.<sup>2</sup> An owner may register his or her mark with both federal and state regulators (a federally registered mark may bear the ® symbol) but is not required to do so.<sup>3</sup> In fact, an owner

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<sup>1</sup> Section 495.031(1)(b), F.S.

<sup>2</sup> Sections 495.011(11) and (13), F.S. *See also*, U.S. Patent and Trademark Office (U.S.P.T.O.), *Protecting Your Trademark, Enhancing Your Rights Through Federal Registration*, 2 (Sept. 2018), available at <https://www.uspto.gov/sites/default/files/documents/BasicFacts.pdf> (last visited Feb. 20, 2019).

<sup>3</sup> U.S.P.T.O., *supra* note 2, at 10-11; International Trademark Association, *State Trademark Registration in the United States* (July 2014), <https://www.inta.org/TrademarkBasics/FactSheets/Pages/StateTrademarkRegistrationsUSFactSheet.aspx> (last

of an unregistered mark may still enforce his or her rights under certain laws because trademark rights arise from use—not registration. However, an owner of a registered mark benefits from additional protections under state or federal law.

### **Federal and International Classification of Goods and Services**

The U.S. Patent and Trademark Office (U.S.P.T.O.) regulates interstate use of marks pursuant to the Lanham Act.<sup>4</sup> The U.S. is a party to the Nice Agreement, and all applications filed under the Lanham Act after September 1, 1973, are subject to the Nice Classification.<sup>5,6</sup> The Nice Agreement is a multilateral treaty, administered by the WIPO, which establishes the Nice Classification for the purposes of registering trademarks and service marks.<sup>7</sup>

The Nice Classification is reviewed and revised by its Committee of Experts, which is made up of representatives of each party to the Nice Agreement. In 2013, the Committee of Experts began annual revisions to the Nice Classification. The annual revisions enter into force on January 1 each year and are referred to as versions that are identified by edition number and year of the effective date (e.g., “Nice Classification, 10<sup>th</sup> edition, version 2013”).<sup>8</sup> The changes consist of the addition and deletion of new or obsolete goods and services from the Nice Classification’s class headings, alphabetical list of named goods and services, and explanatory notes, as well as any other required amendments. New editions are published every 5 years and adopt the cumulative changes of the prior versions.<sup>9</sup>

Effective January 1, 2019, the federal classifications of goods and services were updated to reflect the Nice Classification, 11<sup>th</sup> edition, version 2019.<sup>10</sup>

### **Florida Trademark Law and Classification of Goods and Services**

Chapter 495, F.S., “Registration and Protection of Trademarks,” governs the intrastate use of marks in Florida. Pursuant to ch. 495, F.S., the DOS’s Division of Corporations (division) registers marks that are in use in Florida.<sup>11</sup> As of July 11, 2018, there were 14,242 active

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visited Feb. 20, 2019); Florida Bar, *Consumer Pamphlet: Intellectual Property* (last updated Jan. 2019), available at <https://www.floridabar.org/public/consumer/pamphlet021/> (last visited Feb. 20, 2019).

<sup>4</sup> 15 U.S.C. s.1051, *et seq.* (2002).

<sup>5</sup> See 37 CFR 2.85(a).

<sup>6</sup> World Intellectual Property Organization, *WIPO-Administered Treaties, Contracting Parties to the Nice Agreement*, [https://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty\\_id=12](https://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=12) (last visited Feb. 20, 2019).

<sup>7</sup> World Intellectual Property Organization, *Summary of the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks*, [https://www.wipo.int/treaties/en/classification/nice/summary\\_nice.html](https://www.wipo.int/treaties/en/classification/nice/summary_nice.html) (last visited Feb. 20, 2019).

<sup>8</sup> World Intellectual Property Organization, *FAQ: What is the difference between versions and editions of the NCL?*, <https://www.wipo.int/classifications/nice/en/faq.html> (last visited Feb. 20, 2019).

<sup>9</sup> World Intellectual Property Organization, *FAQ: Is it Updated?*, <https://www.wipo.int/classifications/nice/en/faq.html> (last visited Feb. 20, 2019).

<sup>10</sup> U.S. Patent and Trade Office, *International Trademark Classification Changes*, 83 Fed. Reg. 62711 (Dec. 6, 2018) (codified at 37 CFR Part 6).

<sup>11</sup> See, Florida Department of State Division of Corporations, *Florida Trademark – Service Mark Registration and Use* (2013), available at [http://form.sunbiz.org/pdf/Chapter\\_495\\_Booklet.pdf](http://form.sunbiz.org/pdf/Chapter_495_Booklet.pdf) (last visited Feb. 20, 2019).

registered marks, 1,552 of which were registered in 2017.<sup>12</sup> A registration lasts for five years, and may be renewed for successive five-year terms.<sup>13</sup> The division assesses a registration fee of \$87.50 per classification, and any mark may be registered under multiple classifications.<sup>14</sup>

An application for registration of a mark must:<sup>15</sup>

- Provide the applicant's name, address, and if applicable, place of incorporation;
- Explain the goods or services for which the mark will be used, and how the mark will be affixed to, or used in connection therewith;
- Identify the statutory class (*see* s. 495.111, F.S.) to which the good or service to be marked belongs;
- Detail the history of the mark's use, especially in Florida; and
- State that the applicant owns the mark, that the mark is in current use, and that no other entity or person has registered or has a right to use the mark in Florida.

There are currently 34 classifications of goods and 11 classifications of services in Florida law.<sup>16</sup>

### III. Effect of Proposed Changes:

SB 198 conforms Florida's classifications for trademark goods and services to the 2018 version of the 11<sup>th</sup> edition of the Nice Classification.

The bill provides an effective date of July 1, 2019.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

None.

#### B. Public Records/Open Meetings Issues:

None.

#### C. Trust Funds Restrictions:

None.

#### D. State Tax or Fee Increases:

None.

<sup>12</sup> Florida Department of State, *Yearly Statistics From 2011 to Present*, <https://dos.myflorida.com/sunbiz/about-us/yearly-statistics/> (last visited Feb. 20, 2019).

<sup>13</sup> Section 495.071, F.S.

<sup>14</sup> Florida Dep't of State, *Trademark/Service Mark Registration Guidelines* (Jan. 2011), <http://form.sunbiz.org/pdf/cr2e014.pdf> (last visited Feb. 20, 2019).

<sup>15</sup> Section 495.031(1), F.S.

<sup>16</sup> Section 495.111, F.S.

E. Other Constitutional Issues:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Florida's classifications of goods and services for the purpose of registering a state mark will more closely match the federal classifications of goods and services. This may reduce confusion for those who register their marks at both the state and federal levels.

C. Government Sector Impact:

The DOS may incur costs relating to updating mark registration applications and related forms.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 495.111 of the Florida Statutes.

**IX. Additional Information:**

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.