

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS  
FINAL BILL ANALYSIS**

**BILL #:** HB 445 Trademark Classifications  
**SPONSOR(S):** Diamond and others  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 198

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Business & Professions Subcommittee	15 Y, 0 N	Wright	Anstead
2) Civil Justice Subcommittee	15 Y, 0 N	Padgett	Poche
3) Commerce Committee	24 Y, 0 N	Wright	Hamon

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**FINAL HOUSE FLOOR ACTION:** 114 **Y's** 0 **N's**      **GOVERNOR'S ACTION:** Approved

**SUMMARY ANALYSIS**

HB 445 passed the House on March 27, 2019, and subsequently passed the Senate on April 25, 2019.

A “trademark” or “service mark” (collectively, “mark”) means any word, name, symbol, or device, or any combination thereof, which is used by a person to identify and distinguish their goods or services from those of others, and to indicate the source of the goods or services. Generally, a mark registration is obtained to protect ownership of and the exclusive right to use the mark, and to enforce those rights.

In order to obtain a Florida mark registration, a person must submit a completed application to the Florida Department of State, which includes identifying the goods or services for which the mark is used, and the class or classes of such goods or services. The international classification system of goods and services, called the Nice Classification, is generated by the World Intellectual Property Organization and used by the United States Patent and Trademark Office (USPTO), which Florida uses and codified in 2006.

The bill updates Florida’s statutory classes of goods and services for mark registrations to conform to the Nice Classification, 11<sup>th</sup> edition, version 2018, as adopted by the USPTO.

The bill has an indeterminate fiscal impact on state government and does not appear to have a fiscal impact on local government.

The bill was approved by the Governor on June 7, 2019, ch. 2019-74, L.O.F., and will become effective on July 1, 2019.

## I. SUBSTANTIVE INFORMATION

### A. EFFECT OF CHANGES:

#### Background

A “trademark” means any word, name, symbol, or device, or any combination thereof, used by a person to identify and distinguish their goods, including a unique product, from those manufactured or sold by others, and to indicate the source of the goods, even if the source is unknown.<sup>1</sup>

A “service mark” means any word, name, symbol, or device, or any combination thereof, used by a person to identify and distinguish their services, including a unique service, from the services of others, and to indicate the source of the services, even if that source is unknown.<sup>2</sup>

Generally, a trademark or service mark (collectively, “mark”) registration is obtained to protect ownership of the mark and the exclusive right to use the mark in commerce, and to enforce those rights.<sup>3</sup> Mark registrations may be obtained from the United States Patent and Trademark Office (USPTO), which applies nationally,<sup>4</sup> or from the Florida Department of State (DOS), which applies only in Florida.<sup>5</sup>

In order to obtain a trademark or service mark registration from the USPTO, a person must pay a fee and submit a signed application containing:

- The owner of the mark,
- A name and address for correspondence,
- A depiction of the mark,
- The goods and services for which the mark applies,
- The basis for filing, and
- A specimen showing how the mark is used in commerce.<sup>6</sup>

In order to obtain a trademark or service mark registration in Florida, a person must pay a fee and submit a signed and verified application to the DOS containing:

- The person’s name and address, and if applicable, place of incorporation or organization;
- The goods or services for which the mark is used, how the mark is used for such goods or services, and the class or classes in which such goods or services fall;
- How the mark has been used nationally and in Florida;
- A statement that the applicant is the owner of the mark, that the mark is in use, and that no other person has a right to use the mark;
- If DOS requires, a drawing of the mark; and
- Three specimens or facsimiles of how the mark is used in commerce.<sup>7</sup>

#### Goods and Services Classification System

The United States is a party to the Nice Agreement, which is a multilateral treaty that establishes the International Classification of Goods and Services for the Purpose of the Registration of Marks (Nice

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<sup>1</sup> S. 495.011(13), F.S.; 15 U.S.C. § 1127 (2012).

<sup>2</sup> S. 495.011(11), F.S.; 15 U.S.C. § 1127 (2012).

<sup>3</sup> United States Patent and Trademark Office, *Protecting Your Trademark*, at 11, available at <https://www.uspto.gov/sites/default/files/documents/BasicFacts.pdf> (last visited Feb. 26, 2019).

<sup>4</sup> 15 U.S.C. § 1127 (2012).

<sup>5</sup> S. 495.011(14), F.S.

<sup>6</sup> USPTO, *supra* note 3, at 14.

<sup>7</sup> S. 495.031, F.S.

Classification<sup>8</sup>), as created by the Committee of Experts of the Nice Union, and published by the World Intellectual Property Organization.<sup>9</sup> The Nice Classification lists acceptable identifications and classifications of goods and services for mark registrations.<sup>10</sup> New editions of the Nice Classification are published every 5 years, and a new version of each edition is published annually.<sup>11</sup> The USPTO uses the Nice Classification when granting interstate mark registrations.<sup>12</sup>

Florida has modeled its mark registration system on the federal requirements.<sup>13</sup> As such, Florida has codified the Nice Classification, but this statute has not been updated since 2006.<sup>14</sup> There have since been additions to the Nice Classification.<sup>15</sup>

### **Effect of the Bill**

The bill updates Florida's statutory classes of goods and services for mark registrations to conform to the current Nice Classification, 11<sup>th</sup> edition, version 2018. The updates consist of technical and grammatical changes, and modifications or additions to the list of goods and services.<sup>16</sup>

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

The Department of State will have to update forms. The fiscal impact is indeterminate.

### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

### **C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

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<sup>8</sup> World Intellectual Property Organization, *Nice Publication, Classes*, [https://www.wipo.int/classifications/nice/nclpub/en/fr/20190101/hierarchy/class-1/?basic\\_numbers=show&explanatory\\_notes=show&lang=en&menulang=en&mode=flat&pagination=no](https://www.wipo.int/classifications/nice/nclpub/en/fr/20190101/hierarchy/class-1/?basic_numbers=show&explanatory_notes=show&lang=en&menulang=en&mode=flat&pagination=no) (last visited Feb. 26, 2019).

<sup>9</sup> 37 C.F.R. § 2.85 (2018).

<sup>10</sup> USPTO, *supra* note 3, at 18.

<sup>11</sup> World Intellectual Property Organization, FAQ: Is it Updated?, <https://www.wipo.int/classifications/nice/en/faq.html> (last visited May 3, 2019).

<sup>12</sup> 37 C.F.R. § 2.85 (2018).

<sup>13</sup> S. 495.181, F.S.

<sup>14</sup> S. 495.111(1), F.S.

<sup>15</sup> United States Patent and Trademark Office, *Nice Agreement current edition version – general remarks, Class headings and explanatory notes*, <https://www.uspto.gov/trademark/trademark-updates-and-announcements/nice-agreement-current-edition-version-general-remarks> (last visited Feb. 26, 2019).

<sup>16</sup> Examples include video game apparatus; therapeutic and assistive devices adapted for the disabled; compact discs, DVDs and other digital recording media; and power-operated tools.

This bill provides uniformity by aligning Florida with federal and international standards for classifying goods and services for trademark and service mark registrations, which will benefit the private sector.

D. FISCAL COMMENTS:

None.