

1985 Assembly Bill 420

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## 1985 Wisconsin Act 181

AN ACT to renumber and amend 132.03 (1); to amend 132.01 (title), (1), (5) and (6), 132.02 (1) and (3), 132.031, 132.032, 132.033, 132.07 and 132.19; to repeal and recreate 132.20; and to create 132.001, 132.033 (2) (c) and (d), (4) and (5) and 132.25 of the statutes, relating to trademarks and providing penalties.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. 132.001 of the statutes is created to read:

**132.001 Definitions.** In this chapter, unless the context indicates otherwise:

(1) "Counterfeit mark" means a spurious mark that is identical to or substantially identical to a genuine mark and that is used or intended to be used on or in connection with goods or services for which the genuine mark is registered and in use. "Counterfeit mark" does not mean any mark or designation used in connection with goods or services if, at the time the goods or services were manufactured or produced, the holder of the right to use the mark authorized the manufacturer or producer to use the mark or designation for the type of goods or services manufactured or produced.

(2) "Mark" means a label, trademark, trade name, term, design, pattern, model, device, shopmark, drawing, specification, designation or form of advertisement that is adopted or used by any person to designate, make known or distinguish any goods or service as having been made, prepared or provided by

that person and that is registered by that person under s. 132.01.

SECTION 2. 132.01 (title), (1), (5) and (6) of the statutes are amended to read:

**132.01 (title) Marks.** (1) Any person, firm, copartnership, corporation, association or union of workmen, which has heretofore adopted or used or shall hereafter adopt or use any ~~label, trademark, trade name, term, design, pattern, model, device, shopmark, drawing, specification, designation or form of advertisement,~~ mark for the purpose of designating, making known, or distinguishing any goods, wares, merchandise, service, business or other product of labor or manufacture as having been made, manufactured, produced, prepared, packed, or put on sale by such person, firm, copartnership, corporation, association, or union of workmen, or by a member or members thereof, he or they, if residents of this or any other state of the United States, and such foreign corporations as may have been duly licensed to transact business in the state of Wisconsin, may file an original, a copy, or photographs, or cuts with specifications of the same for record in the office of the secretary of state, by leaving 2 such originals, copies, photographs, or cuts with specifications, the same being counter-

parts, facsimiles, or drawings thereof, with said secretary and by filing therewith a sworn statement, in such form as may be prescribed by the secretary of state, specifying the name of the person, firm, copartnership, corporation, association or union of workmen, on whose behalf such ~~label, trademark, term, trade name, pattern, model, design, device, shopmark, drawing, specification, designation or form of advertisement~~ mark is to be filed, the class of merchandise and a separate description of the goods to which the same has been or is intended to be appropriated, the residence, location, or place of business of such party, that the party, on whose behalf such ~~label, trademark, trade name, term, design, pattern, model, device, shopmark, drawing, specification, designation or form of advertisement~~ mark is to be filed, has the right to the use of the same, and that no other person, or persons, firm, copartnership, corporation, association or union of workmen has such right either in the identical form or in any such near resemblance thereto as may be calculated to deceive, and that the originals, copies, photographs, or cuts, counterparts, facsimiles or drawings filed therewith are correct.

(5) The secretary of state ~~shall~~ may not register any ~~label, trademark, term, design, device or form of advertisement~~ mark which consists of or comprises a replica or simulation of the flag, coat of arms, or insignia of the United States of America, or of any state or municipality or any foreign nation.

(6) Registrations recorded under this section and ss. 132.04 and 132.11 shall be effective for 20 years, and shall be renewable for like periods upon application to the secretary of state and payment of the same fee required for an original registration. Registrants of ~~labels, trademarks, terms, trade names, patterns, models, designs, devices, shop marks, drawings, specifications, designations, forms of advertising, marks of ownership or of brands of beverages~~ heretofore recorded under these sections shall be notified by the secretary of state at their last-known address of the necessity of renewal and notice shall also be given by publication in the official paper once each month for 3 months following July 9, 1947. Application for renewal may be made prior to January 1, 1948, or within the ~~6 months'~~ 6-month period next preceding the expiration of 20 years from the date of registration.

SECTION 3. 132.02 (1) and (3) of the statutes are amended to read:

132.02 (1) It shall be unlawful for any person, firm, copartnership, corporation, association or union of workmen, without the consent of the owner of any such ~~label, trademark, trade name, term, design, pattern, model, device, shopmark, drawing, specification, designation, or form of advertisement~~ registered in accordance with s. 132.01 mark, to remove any such ~~label, trademark, trade name, design, shopmark, or other designation, or form of advertisement so registered and~~ mark attached to merchandise or products

of labor, for the purpose of using such merchandise or products of labor as a pattern for the duplicating or reproduction of the same, either in the identical form or in such near resemblance thereto as may be calculated to deceive.

(3) ~~And it~~ It shall be unlawful for any other person to make use, with intent to deceive, of such ~~label, trademark, trade name, term, design, pattern, model, device, shopmark, drawing, specification, designation, or form of advertisement so filed, that mark or any such likeness or imitation thereof~~ counterfeit mark which is identical to or substantially identical to that mark, or to utter or display the same orally, or in any printed or written form in the conduct of his or her business or any business transaction without the express consent, license, and authority of the person, firm, copartnership, corporation, association, or union so owning the same, and such unauthorized and unlawful use may be prohibited and prevented by injunction or other proper proceeding in a court of competent jurisdiction without recourse to the penal statute providing a punishment for such unlawful use. In case such association or union of workmen is not incorporated such actions may be commenced and prosecuted by an officer or member of such association or union on behalf of and for the use of such association or union. This subsection does not apply to the purchase of merchandise in good faith from a distributor or the retail sale of that merchandise in good faith.

SECTION 4. 132.03 (1) of the statutes is renumbered 132.03 and amended to read:

**132.03 Penalty.** Every person who ~~shall~~ knowingly and wilfully ~~violate ss.~~ violates s. 132.01 or 132.02, except ~~only~~ those provisions relative to emergency repairs, ~~shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by imprisonment~~ imprisoned for not more than ~~six 6~~ 6 months or ~~by a fine of fined~~ not more than ~~two hundred dollars~~ \$10,000 or both.

SECTION 5. 132.031 of the statutes is amended to read:

**132.031 Certificate; evidence.** The secretary of state shall deliver to the person, corporation, association or union so filing or causing to be filed any such ~~label, trademark, term, design, device or form of advertisement~~ mark, or any assignment of such subject matter previously registered, or to any person, corporation, association or union renewing a registration, ~~so~~ as many duly attested certificates of the registration or renewal of the same as may be desired. Any such certificate shall, in all suits and prosecutions arising out of or depending upon any rights claimed under such ~~label, trademark, term, design, device or form of advertisement~~ mark, be prima facie evidence of the adoption thereof and of the facts prerequisite to registrations thereof as required by s. 132.01.

SECTION 6. 132.032 of the statutes is amended to read:

**132.032 (title) Fraudulent filing; remedies.** Any person who shall, for himself, herself or on behalf of any other person, association or union procure, procures the filing and recording of any label, trademark, term, design, device or form of advertisement under s. 132.04 mark by making any false or fraudulent representations or declarations, verbally or in writing, or by any other fraudulent means shall be is liable for any damages sustained in consequence thereof as a result of that action, to be recovered by or on behalf of the injured party injured thereby, and shall also be punished as provided by law imprisoned for not more than 6 months or fined not more than \$10,000 or both.

SECTION 7. 132.033 of the statutes is amended to read:

**132.033 (title) Suit to enjoin use of mark.** (1) Every person, association or union adopting or using a label, trademark, term, design, device or form of advertisement, as provided in s. 132.01, mark may proceed by suit to enjoin the manufacture, use, display or sale of any counterfeits or imitations thereof, and courts of competent jurisdiction shall counterfeit mark identical to or substantially identical to that mark.

(2) (a) If the person, association or union proves by a preponderance of the evidence that the defendant engaged in a violation of this section which threatens the person, association or union with irreparable injury, a court may grant injunctions an injunction to restrain such manufacture, use, display or sale, and shall order that all such counterfeit marks in the possession or under the control of any defendant be delivered to the court to be destroyed.

(b) Except as provided in par. (c), if the person, association or union proves injury and monetary damages by a preponderance of the evidence the court may award the complainant person, association or union actual damages resulting from such manufacture, use, sale or display as may be deemed just and reasonable by said court, including all or an amount not to exceed 3 times the defendant's profits derived directly resulting from such wrongful manufacture, use, display or sale; such court shall also order that all such counterfeits or imitations in the possession or under the control of any defendant be delivered to an officer of the court to be destroyed.

(3) In case such association or union is not incorporated, such actions may be commenced and prosecuted by an officer or member of such association or union on behalf of and for the use of such association or union.

SECTION 8. 132.033 (2) (c) and (d), (4) and (5) of the statutes are created to read:

132.033 (2) (c) If the person, association or union proves by a preponderance of the evidence that the defendant acted wilfully, the court shall award the greater of actual damages resulting from the manufacture, use, sale or display or an amount equal to 3 times

the defendant's profits directly resulting from the manufacture, use, sale or display.

(d) If the person, association or union proves a violation by a preponderance of the evidence, the court may award the costs of investigating the violation and of prosecuting the suit, including reasonable investigator and attorney fees.

(4) This section does not apply to the purchase of merchandise in good faith from a distributor or the retail sale of that merchandise in good faith.

(5) Any of the following is a defense to liability under this section:

(a) The registrant fraudulently obtained the mark registration.

(b) The registrant abandoned the mark.

(c) The mark is used by the registrant, or with the permission of the registrant or a person in privity with the registrant, to misrepresent the source of the goods or services in connection with which the mark is used.

(d) The use of the name, term or device alleged to be an infringement is a use, except for a use as a trade or service mark, of any of the following:

1. The party's name in the party's business.

2. The name of any person in privity with the party.

3. A term or device which is descriptive of, and which is used fairly and in good faith only to describe to users, the party's goods and services or the geographic origin of the party's goods and services.

(e) The mark has been or is used to violate the Sherman act, 15 USC 1 et. seq., the Clayton act, 15 USC 12 et. seq., or ch. 133.

(f) Before the person, association or union registered a mark under s. 132.01 the defendant acquired the right under common law or federal law to manufacture, use, display or sell an identical mark.

SECTION 9. 132.07 of the statutes is amended to read:

**132.07 Penalty for unlawful use.** Any person or persons or corporation or any officer or agent of any corporation acting for or in the name of such corporation who shall knowingly and wilfully with intent to unlawfully convert to his or her own use violate any of the provisions of ss. violates s. 132.04 to, 132.05, 132.06 or 132.08, inclusive, shall be punished by imprisonment in the county jail imprisoned for not more than six 6 months, or by fine of fined not more than two hundred dollars, \$10,000 or by both such fine and imprisonment.

SECTION 10. 132.19 of the statutes is amended to read:

**132.19 (title) Use of mark without authority.** Every person who shall knowingly and wilfully use or display uses or displays the genuine label, name or seal, trademark, term, design, device or form of advertisement mark of any person, association or union in any manner, or in or about the sale of goods or merchandise not being authorized so to do by such person, union or association, shall be deemed guilty of a mis-

~~demeanor, and shall be punished by imprisonment imprisoned for not more than 3 months or by a fine of fined not more than \$100. This section does not apply to the purchase of merchandise in good faith from a distributor or the retail sale of that merchandise in good faith.~~

SECTION 11. 132.20 of the statutes is repealed and recreated to read:

**132.20 Trafficking in counterfeit marks.** (1) In this section, "traffic" means any of the following:

- (a) Transfer, assign or dispose of.
- (b) Advertise, promote or offer to transfer, assign or dispose of.
- (c) Receive, possess, transport or exercise control of, with intent to transfer, assign or dispose of.
- (d) Assist another person to do any act under pars. (a) to (c).

(2) Any person who, with intent to deceive, traffics or attempts to traffic in this state in a counterfeit mark or in any goods or service bearing or provided under a counterfeit mark shall, if the person is an individual, be fined not more than \$250,000 or imprisoned for not more than 5 years or both, or, if the person is not an individual, be fined not more than \$1,000,000.

(3) It is a defense to liability under this section that before another person registered an identical mark under s. 132.01 a person acquired the right under common law or federal law to traffic in a mark.

SECTION 12. 132.25 of the statutes is created to read:

**132.25 Common law rights.** Nothing in this chapter affects any right in a mark which is acquired under common law.