

SB 454

FILED

2015 MAR 18 P 6:55

WEST VIRGINIA LEGISLATURE
EIGHTY-SECOND LEGISLATURE
REGULAR SESSION, 2015

WEST VIRGINIA
SECRETARY OF STATE



ENROLLED

Senate Bill No. 454

(BY SENATORS PREZIOSO, BEACH, D. HALL, KESSLER, LEONHARDT,
PLYMALE, WALTERS, WOELFEL, FACEMIRE AND STOLLINGS)

[PASSED MARCH 10, 2015; IN EFFECT NINETY DAYS FROM PASSAGE.]

FILED

2015 MAR 18 P 6:55

ENROLLED

OFFICE WEST VIRGINIA
SECRETARY OF STATE

Senate Bill No. 454

(BY SENATORS PREZIOSO, BEACH, D. HALL, KESSLER, LEONHARDT,
PLYMALE, WALTERS, WOELFEL, FACEMIRE AND STOLLINGS)

[Passed March 10, 2015; in effect ninety days from passage.]

AN ACT to amend and reenact §47-2-1 of the Code of West Virginia, 1931, as amended; and to amend said code by adding thereto four new sections, designated §47-2-14a, §47-2-14b, §47-2-14c and §47-2-14d, all relating to trademark counterfeiting and forfeiture; defining terms; creating crime of misdemeanor trademark counterfeiting; creating crime of felony trademark counterfeiting; providing penalties; and providing for seizure, forfeiture and disposal of property used or obtained in furtherance of violations.

Be it enacted by the Legislature of West Virginia:

That §47-2-1 of the Code of West Virginia, 1931, as amended, be amended and reenacted; and that said code be amended by adding thereto four new sections, designated §47-2-14a, §47-2-14b, §47-2-14c and §47-2-14d, all to read as follows:

ARTICLE 2. TRADEMARKS IN GENERAL.

§47-2-1. Definitions.

1 As used in this article:

2 (1) The term “trademark” means any word, name, symbol
3 or device or any combination thereof used by a person to
4 identify and distinguish the goods of such person, including
5 a unique product, from those manufactured and sold by
6 others, and to indicate the source of the goods, even if that
7 source is unknown.

8 (2) The term “service mark” means any word, name,
9 symbol or device or any combination thereof used by a
10 person to identify and distinguish the services of one person,
11 including a unique service, from the services of others, and to
12 indicate the source of the services, even if that source is
13 unknown. Titles, character names used by a person, and other
14 distinctive features of radio or television programs may be
15 registered as service marks notwithstanding that they, or the
16 programs, may advertise the goods of the sponsor.

17 (3) The term “mark” includes any trademark or service
18 mark, entitled to registration under this article whether
19 registered or not.

20 (4) The term “trade name” means any name used by a
21 person to identify a business or vocation of such person.

22 (5) The term “person” and any other word or term used
23 to designate the applicant or other party entitled to a benefit
24 or privilege or rendered liable under the provisions of this
25 article includes a juristic person as well as a natural person.
26 The term “juristic person” includes a firm, partnership,
27 corporation, union, association or other organization capable
28 of suing and being sued in a court of law.

29 (6) The term “applicant” embraces the person filing an
30 application for registration of a mark under this article, and

31 the legal representatives, successors or assigns of such
32 person.

33 (7) The term “registrant” as used herein embraces the
34 person to whom the registration of a mark under this article
35 is issued, and the legal representatives, successors or assigns
36 of such person.

37 (8) The term “use” means the bona fide use of a mark in
38 the ordinary course of trade, and not made merely to reserve
39 a right in a mark. For the purposes of this article, a mark shall
40 be deemed to be in use: (A) On goods when it is placed in
41 any manner on the goods or other containers or the displays
42 associated therewith or on the tags or labels affixed thereto,
43 or if the nature of the goods makes such placement
44 impracticable, then on documents associated with the goods
45 or their sale, and the goods are sold or transported in
46 commerce in this state; and (B) on services when it is used or
47 displayed in the sale or advertising of services and the
48 services are rendered in this state.

49 (9) A mark shall be deemed to be “abandoned” when
50 either of the following occurs:

51 (A) When its use has been discontinued with intent not to
52 resume such use. Intent not to resume may be inferred from
53 circumstances. Nonuse for two consecutive years shall
54 constitute prima facie evidence of abandonment.

55 (B) When any course of conduct of the owner, including
56 acts of omission as well as commission, causes the mark to
57 lose its significance as a mark.

58 (10) The term “secretary” means the Secretary of State or
59 the designee of the secretary charged with the administration
60 of this article.

61 (11) The term “dilution” means the lessening of the
62 capacity of registrant’s mark to identify and distinguish goods
63 or services, regardless of the presence or absence of: (A)
64 Competition between the parties; or (B) likelihood of
65 confusion, mistake or deception.

66 (12) “Retail value” means:

67 (A) For items that bear a counterfeit mark and are
68 components of a finished product, the regular selling price of
69 the finished product in which the component would be utilized.

70 (B) For items that bear a counterfeit mark other than
71 items described in paragraph (A) of this subsection and for
72 services that are identified by a counterfeit mark, the regular
73 selling price of the item or service.

§47-2-14a. Trademark counterfeiting.

1 (a) A person commits trademark counterfeiting if the
2 person knowingly and with the intent to sell or distribute and
3 without the consent of the registrant or owner uses, displays,
4 advertises, distributes, offers for sale, sells or possesses any
5 item that bears a counterfeit of a mark or any service that is
6 identified by a counterfeit of a mark registered under this
7 chapter, registered under 15 U. S. C. §1052, or under the
8 common law with knowledge that the mark is counterfeit.

9 (b) For purposes of this section, a mark is counterfeit if:

10 (1) It is a mark that is identical to or substantially
11 indistinguishable from a registered or common law mark; and

12 (2) It is used on or in connection with the same type of
13 goods or services for which the genuine mark is registered or
14 otherwise used.

§47-2-14b. Misdemeanor trademark counterfeiting; penalty.

1 (a) A person commits the crime of misdemeanor
2 trademark counterfeiting if the person commits trademark
3 counterfeiting as described in section fourteen-a of this article
4 and the total retail value of all of the items bearing the
5 counterfeit mark or services that are identified by the
6 counterfeit mark is less than \$1,000.

7 (b) The penalty for misdemeanor trademark
8 counterfeiting is:

9 (1) For a first violation, confinement in jail for not more
10 than one year, or a fine not exceeding \$2,000, or both a fine
11 and confinement; and

12 (2) For each subsequent violation, confinement in jail for
13 not more than one year, or a fine not exceeding \$5,000, or
14 both a fine and confinement.

15 (3) If the person convicted under this section is a firm,
16 partnership, corporation, union, association or other
17 organization capable of suing and being sued in a court of
18 law, the maximum fine that may be imposed is \$10,000.

§47-2-14c. Felony trademark counterfeiting; penalty.

1 (a) A person commits the crime of felony trademark
2 counterfeiting if the person commits trademark counterfeiting
3 as described in section fourteen-a of this article and the total
4 retail value of all of the items bearing the counterfeit mark or
5 services that are identified by the counterfeit mark is \$1,000
6 or greater.

7 (b) The penalty for felony trademark counterfeiting is:

8 (1) Confinement in a state correctional facility for no less
9 than one year nor more than five years or a fine not
10 exceeding \$10,000, or both a fine and confinement.

11 (2) If the person convicted under this section is a firm,
12 partnership, corporation, union, association or other
13 organization capable of suing and being sued in a court of
14 law, the maximum fine that may be imposed is \$20,000.

§47-2-14d. Seizure, forfeiture and disposal.

1 (a) The following are subject to seizure and forfeiture in
2 the same manner as the items referenced in section seven
3 hundred three, article seven, chapter sixty-a of this code:

4 (1) All raw materials and equipment that are used, or
5 intended for use, in providing, manufacturing and delivering
6 items bearing a counterfeit mark or services identified by a
7 counterfeit mark;

8 (2) All conveyances, including aircraft, vehicles or
9 vessels, which are used, or are intended for use, to transport
10 items bearing a counterfeit mark, except that:

11 (A) A conveyance used by any person as a common
12 carrier in the transaction of business as a common carrier
13 shall not be forfeited under this section unless it appears that
14 the person owning the conveyance is a consenting party or
15 privy to a violation of this article;

16 (B) A conveyance shall not be forfeited under the
17 provisions of this article if the person owning the conveyance
18 establishes that he or she neither knew, nor had reason to
19 know, that the conveyance was being employed or was likely
20 to be employed in a violation of this article; and

21 (C) A bona fide security interest or other valid lien in any
22 conveyance shall not be forfeited under the provisions of this
23 article, unless the state proves by a preponderance of the
24 evidence that the holder of the security interest or lien either
25 knew, or had reason to know, that the conveyance was being
26 used or was likely to be used in a violation of this article;

27 (3) All books, records, computers and data that are used
28 or intended for use in the production, manufacture, sale or
29 delivery of items bearing a counterfeit mark or services
30 identified by a counterfeit mark; and

31 (4) All moneys, negotiable instruments, balances in
32 deposit or other accounts, securities or other things of value
33 furnished or intended to be furnished by any person in the
34 course of activity constituting a violation of sections
35 fourteen-b, fourteen-c and fourteen-d of this article.

36 (b) Items bearing a counterfeit mark are subject to seizure
37 and disposition as provided in section seven, article one-a,
38 chapter sixty-two of this code. However, if the registrant or
39 owner so requests, the agency holding the seized items shall
40 release the seized items to the registrant or owner or make
41 such other disposition as the registrant or owner directs. If the
42 registrant or owner does not direct disposition of the seized
43 items, the agency shall destroy the items.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Mark R. Spangol
.....
Chairman Senate Committee

John B. Ho
.....
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Clark B. Barnes
.....
Clerk of the Senate

Steph D. Harris
.....
Clerk of the House of Delegates

Phillip D. ...
.....
President of the Senate

Andy ...
.....
Speaker of the House of Delegates

The within *is approved* this the *18th*
March
Day of, 2015.

Earl Ray Tomblin
.....
Governor

PRESENTED TO THE GOVERNOR

MAR 1 6 2015

Time 11:15 AM