

109TH CONGRESS  
1ST SESSION

# S. 1604

To restore to the judiciary the power to decide all trademark and trade name cases arising under the laws and treaties of the United States, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JULY 29, 2005

Mr. CRAIG (for himself and Mr. ROBERTS) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

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## A BILL

To restore to the judiciary the power to decide all trademark and trade name cases arising under the laws and treaties of the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Judicial Powers Res-  
5 toration Act of 2005”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—Congress makes the following find-  
8 ings:

1           (1) Section 1 of Article III of the Constitution  
2 of the United States of America vests “judicial  
3 Power” exclusively in the courts. Section 2 of Article  
4 III states that this “judicial Power shall extend to  
5 all Cases, in Law and Equity, arising under this  
6 Constitution, the Laws of the United States, and  
7 Treaties...” In interpreting Article III of the Con-  
8 stitution, the Supreme Court in *Muskrat v. United*  
9 *States* defined the term “judicial power” to mean  
10 “the right to determine actual controversies arising  
11 between adverse litigants, duly instituted in courts of  
12 proper jurisdiction”.

13           (2) In 1996, a holder of a trademark registra-  
14 tion issued by the Patent and Trademark Office as-  
15 serted trademark infringement and other claims in a  
16 United States district court against an alleged in-  
17 fringer. The plaintiff’s claims for relief were based  
18 upon laws and treaties of the United States, includ-  
19 ing the Trademark Act of 1946 (15 U.S.C. 1051 et  
20 seq.) and the Inter-American Convention for Trade-  
21 mark and Commercial Protection.

22           (3) In October 1998, just prior to commence-  
23 ment of the trial, the alleged infringer procured an  
24 amendment to the Department of Commerce and  
25 Related Agencies Appropriations Act, 1999 (as con-

1 tained in section 101(b) of division A of Public Law  
2 105–277; 112 Stat. 2681–88). That amendment is  
3 commonly referred to as “section 211” and has been  
4 of singular benefit to that defendant in the courts.

5 (4) Section 211(a)(2) and (b) provides that  
6 “No United States court shall recognize, enforce, or  
7 otherwise validate any assertion of rights” of certain  
8 trademarks or commercial names of the type at  
9 issue in the litigation referred to in paragraph (2).  
10 Section 211(a)(1) also rescinds the general authority  
11 permitting payment of the fees necessary for reg-  
12 istration and renewal of such trademarks with the  
13 United States Patent and Trademark Office.

14 (5) The intended and actual effect of section  
15 211 is to strip United States courts of the authority  
16 to decide the ownership and enforceability of such  
17 trademarks and trade names, including those at  
18 issue in the litigation described in paragraph (2). As  
19 a result of section 211, the plaintiff in the litigation  
20 was prevented from asserting the plaintiff’s infringe-  
21 ment claim. By preventing the payment of fees for  
22 trademark registration and renewal in the Patent  
23 and Trademark Office, section 211 also denies par-  
24 ties the ability to preserve claims of ownership in

1 such trademarks pending judicial determination of  
2 enforcement rights.

3 (6) Section 211 is not needed for the courts to  
4 reach equitable results with respect to the United  
5 States trademark and trade name rights of foreign  
6 nationals who have suffered from confiscation of  
7 their businesses at home. It has been the long-  
8 standing practice of the Federal courts to do equity  
9 in adjudicating disputes involving such rights.

10 (7) Repeal of section 211 is necessary and de-  
11 sirable to restore to the courts the power to deter-  
12 mine the ownership and enforceability of all trade-  
13 marks and trade names and to preserve trademark  
14 registrations pending such determinations.

15 (b) PURPOSE.—The purpose of this Act is to restore  
16 to the judiciary the power to decide all trademark and  
17 trade name cases arising under the laws and treaties of  
18 the United States, and for other purposes.

19 **SEC. 3. RESTORATION OF JUDICIAL POWERS.**

20 (a) IN GENERAL.—Section 211 of the Department of  
21 Commerce and Related Agencies Appropriations Act,  
22 1999 (as contained in section 101(b) of division A of Pub-  
23 lic Law 105–277; 112 Stat. 2681–88) is repealed.

24 (b) REGULATIONS.—Not later than 30 days after the  
25 date of enactment of this Act, the Secretary of the Treas-

1 ury shall issue such regulations as are necessary to carry  
2 out the repeal made by subsection (a), including removing  
3 any prohibition on transactions or payments to which sub-  
4 section (a)(1) of section 211 of the Department of Com-  
5 merce and Related Agencies Appropriations Act, 1999 ap-  
6 plied.

7 (c) AUTHORITY OF COURTS.—United States courts  
8 shall have the authority to recognize, enforce, or otherwise  
9 validate any assertion of rights in any mark or trade name  
10 based on common law rights or registration or under sub-  
11 section (b) or (e) of section 44 of the Trademark Act of  
12 1946 (15 U.S. C. 1126 (b) or (e)) or based on any treaty  
13 to which the United States is a party.

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