



U.S. State Trademark and Unfair Competition Law

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U.S. State Trademark and Unfair Competition Law, provides a singular comprehensive source for facts, commentary and analysis on U.S. state trademark and unfair competition law.

Topics covered in profiles of each of the 50 U.S. states and Puerto Rico include: registration statute, dilution, unfair business practices, deceptive trade practices, trademark counterfeiting, false advertising, corporate name reservation prior to incorporation, trade name registration, fictitious name statutes, unfair competition or passing off, personal name statutes, right of publicity, trade disparagement and franchising or business opportunity statutes. Also included are a comprehensive bibliography and quick reference charts.

Minnesota

Merchant & Gould P.C.*
Minneapolis, MN

A. State Trademark Registration Statute

1. Code Section

Registration of a trademark in Minnesota is governed by M.S.A. §§333.001-333.54. All Minnesota trademark statutes are available on line at: <http://www.leg.state.mn.us>

2. Model Act Provisions

The Minnesota State Trademark statute closely follows the Model Act. The principal deviations are: (1) the definition of a service mark also includes, without limitation, the marks, names, symbols, titles, designations, slogans, character names, and distinctive features of radio or other advertising, M.S.A. §333.18; (2) “certification” and “collective” marks are also included, M.S.A. §§333.18, subd. 1 (c) and (d), 331.19, subd. 2; (3) a certificate of registration constitutes prima facie proof of the registrant’s ownership and exclusive right to use the mark on or in connection with the goods or services described in the certificate, M.S.A. §333.21, subd. 2; (4) in addition to cancellation based on prior confusingly similar federal registration, cancellation may be based on prior confusingly similar Minnesota state registration, M.S.A. §333.25, subd. 1(4)(vi); (5) prior use in an area covering the state is a defense to cancellation based on prior state or federal registration, M.S.A. §333.25, subd. 1(4)(vi); (6) the cancellation section contains a five-year incontestability provision, M.S.A. §333.25, subd. 2; (7) the classification of goods and services is periodically amended to

* Merchant & Gould P.C. is engaged exclusively in the practice of intellectual property law, including patent, trademark, copyright, unfair competition, trade secret, advertising, and computer law. The firm consists of over 100 attorneys and has offices located in Minneapolis, Minnesota; Denver, Colorado; Seattle, Washington; Atlanta, Georgia; Washington, D.C.; Madison, Wisconsin; Omaha, Nebraska; New York, New York; and Knoxville, Tennessee. Approximately half of the firm’s practice involves intellectual property litigation in jurisdictions throughout the United States. The other half of the practice involves securing, maintaining, licensing, and counseling relative to intellectual property matters both nationally and internationally. Attorney John A. Clifford participated in the preparation of this entry.

conform to changes in the federal classification system, M.S.A. §333.26; (8) the language defining an infringing mark reads “identical to or so similar to . . . as to be likely to cause confusion or mistake . . . or to deceive,” M.S.A. §333.28; (9) the statute contains an anti-dilution section at M.S.A. §333.285.

3. Administrator

Minnesota Secretary of State
Business Services
Retirement Systems of Minnesota Building
60 Empire Drive, Suite 100
St. Paul, Minnesota 55103
Phone: 651-296-2803 or 1-877-551-6767
Email: business.services@state.mn.us
Fax: 651-297-7067
Website: <http://www.sos.state.mn.us/>

4. Procedure for Applying for Registration

An application accompanied by the required fee and specimens must be filed with the Secretary of State. M.S.A. §333.20. Trademarks, service marks, certification marks and collective marks are all registered using the official form provided. Only one class may be covered in one application.

a. Forms

Use of a state form is required. Forms are available at: <http://www.sos.state.mn.us/>.

b. Number of Copies

One original application is sufficient.

c. Fee

The registration fee is \$50. M.S.A. §333.20, subd. 4., as amended.

d. Specimens

One actual specimen or facsimile is required.

e. Drawing

No special drawing is required.

5. Intent to Use Provision

The Minnesota statute does not include a provision for the reservation of a mark based on intent to use. However, a corporate name may be reserved based on intended future use. M.S.A. §302A.117.

6. Classification

The classification system in Minnesota is based on and incorporates

changes made in the U.S. Patent and Trademark Office classification system. M.S.A. §333.26. Multiple class applications are not permitted.

7. Search Prior to Application

The Secretary of State's Office will conduct a cursory search prior to the filing of an application for registration if requested.

8. Search Prior to Registration

There is no requirement under the Minnesota statute that the state conduct a search for similar marks prior to registration. However, the procedure of the Office is to conduct a cursory search prior to registration. The search includes all state-registered trademarks, corporate names, and assumed business names, but is limited to an alphabetical search based on first word only of the proposed trademark.

9. Doing Business Requirement

There is no "doing business" requirement. Adoption and use of the trademark are sufficient.

10. Types of Marks Registrable

Trademarks, service marks, collective marks, and certification marks are registrable. M.S.A. §333.19, subd. 2.

11. Restrictions

M.S.A. §333.19 enumerates certain types of marks which may not be registered. This section is quite similar to Section 2 of the Model Act and sets forth the same prohibited terms and designs (e.g., immoral, deceptive, U.S. flag-related, personal names, etc.). In addition, the use of "Aquatennial," "Portorama," and "Minnesota Zoological Garden" are specifically limited by statute.

12. Use in State

Use in the state is required prior to filing an application for registration.

13. Term of Registration

Registration is granted for a period of ten years from the date of registration. M.S.A. §333.22, subd. 1.

14. Renewal

An application for renewal may be filed with the Secretary of State six months prior to the expiration date. M.S.A. §333.22, subd. 1. Notification of the renewal date is sent to the registrant at the

registrant's last known address. M.S.A. §333.22, subd. 2. Specimens are not required.

15. Renewal Forms

Separate application and renewal forms are provided by the Secretary of State's Office. See the website given above in Section 4a for renewal forms.

16. Other Forms

In addition to application and renewal forms, assignment forms are also available at <http://www.sos.state.mn.us/>.

17. Post-Registration Forms

Use of the provided forms is not mandatory.

18. Fees After Registration

Additional fees required by statute are renewal fee, \$25, M.S.A. §333.22, subd. 1; fee for recording the conveyance of marks, \$15, which includes the issue of a new certificate in the name of the assignee, M.S.A. §333.23.

19. Use Requirement for Renewal

Use is a requirement of renewal. M.S.A. §333.22, subd. 1. There is no provision for excusable non-use.

20. Presumptions

a. In Favor of Registrant

M.S.A. §333.21 provides that the certificate of registration "shall be admissible in evidence as competent and sufficient proof of the registration of the mark, in any action or judicial proceedings in any court of this state and shall be prima facie evidence of the registrant's ownership and exclusive right to use the mark on or in connection with the goods or services described in the certificate."

b. Presumption of Doing Business

The Minnesota Statutes do not include a "doing business" requirement. M.S.A. §333.20, subd. 1(4). There is no statutory presumption created by trademark registration which affects the status of a foreign corporation registrant. M.S.A. §333.31 recognizes service in duplicate of any paper relating to a nonresident's trademark registration on the Secretary of State as constituting service on the nonresident registrant. The Secretary of State will then forward one copy to the registrant's last known address. Thus, at least for trademark purposes, personal jurisdiction is presumed. While purchase of all business assets may

raise the presumption of a transfer of all trademark rights, the use or appropriation of identical or similar trademarks by a subsidiary company does not imply an assumption of the legal obligations of the parent company. *Carstedt v. Grindelndland*, 406 N.W.2d 39 (Minn. App. 1987).

21. Remedies for Infringement

M.S.A. §333.29 provides remedies of injunctive relief, the recovery of all benefits which the defendant derived from infringement, and/or any damages suffered by the registrant. The prevailing party may, in the court's discretion, be awarded reasonable attorney's fees.

22. Persons Entitled to Sue

The owner of a registered mark has standing to sue for infringement.

B. Dilution

1. Code Section

The dilution cause of action is governed by M.S.A. 333.285. Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark or trade name shall be grounds for injunctive relief, regardless of the presence or absence of competition between parties or likelihood of confusion, mistake, or deception. M.S.A. §333.18, subd. 7. "Dilution" means the lessening of the capacity of an owner's mark to identify and distinguish goods or services. M.S.A. §333.18, subd. 7. "Distinctive quality" means the mark is inherently distinctive or has acquired distinctiveness, and the mark is well known or famous.

2. Scope

Few significant cases have interpreted this statute. The legislative history seems to indicate that "distinctive quality" requires that a mark be well known to the general public rather than to a specific group of customers. It is believed that relief will be limited geographically to the zone of trademark recognition as well. The statute codifies Minnesota common law. *De Rosier v. 5933 Business Trust*, 870 F. Supp. 941, 948 (D. Minn. 1994).

The trademark "Duluth News-Tribune" was not distinctive enough to be diluted, even in a limited area, despite extensive promotion and use. *Duluth News-Tribune v. Mesabi Publishing Co.*, 84 F.3d 1093, 38 U.S.P.Q.2d 1937, 1942 (8th Cir. 1996).

3.-10. Not applicable.

C. Unfair Business Practices Acts (Little FTC Acts)

1. Code Section

No unified statutory approach exists in the area of unfair business practices. Pertinent statutes include Minnesota Statutes ch. 325D, Restraint of Trade; ch. 325E, Regulation of Trade Practices; ch. 325F, Consumer Protection - Products and Sales; ch. 325G, Consumer Protection - Solicitation of Sales; Prevention of Consumer Fraud, M.S.A. §§325F.68-325F.70; The Unlawful Trade Practices Act, M.S.A. §§325D.09-325D.16; Additional Duties of Attorney General, M.S.A. §8.31. *See generally* chs. 325F and 325G; *see also* chs. 325D and 325E.

2. Scope

These statutes are designed to protect consumers, borrowers, and businessmen against fraud, unfair methods of discrimination and competition, and unfair or deceptive acts or practices in the conduct of business, trade, or commerce. The Attorney General is given broad powers to investigate and to assist in the discovery and punishment of the illegal practices prohibited by the cited statutes. M.S.A. §8.31, subd. 1 and 2. In addition, broad remedies are given to private persons injured by a violation of these laws. M.S.A. §8.31, subd. 3a.

3. Prohibited Activities

The broadest prohibition of trade activities is directed toward the prevention of consumer fraud. M.S.A. §§ 325F.68-325F.70. Section 325F.69, subd. 1 provides for enjoining the use or employment by a person of any fraud, false pretense, misrepresentation, misleading statement, or deceptive practice, with the intent that others rely thereon, in connection with the sale of any merchandise, whether or not any person in fact has been misled, deceived, or damaged thereby. Other provisions of the cited sections prohibit specific actions regarding wholesale and retail sales and merchandising.

4. Remedies**a. State Administrative Enforcement**

The Attorney General has been given broad powers under M.S.A. §8.31 to investigate violations of Minnesota law regarding unfair, discriminatory, and other unlawful practices in business, commerce, or trade.

b. Criminal Enforcement

A violation of the Unlawful Trade Practices Act (§§325D.09-.16) is a

misdemeanor. M.S.A. §325D.15. Violation of other specific provisions also have criminal penalties.

c. Civil Penalties

There are no penalties in administrative actions.

d. Private Actions and Remedies

Broad remedies are given to protect individuals injured by a violation of the Unlawful Trade Practices Act, M.S.A. §§325D.09-325D.16, and the Prevention of Consumer Fraud Act, M.S.A. §§325F.68-325F.694. These remedies include damages, together with costs and disbursements, including costs of investigating and reasonable attorney's fees. Other equitable relief as determined by the court may also be given. M.S.A. §8.31, subd. 3a.

e. Class Actions

Actions may be brought by the state, acting through the Attorney General, and by private parties. Class actions by private parties are also permitted.

f. Notice

No specific notice is required prior to investigation or suit by either the Attorney General or a private party.

g. Standing

There is no limitation on actions brought by competitors; "any person injured by a violation" may sue. M.S.A. §8.31, subd. 3a.

h. Consumer Products

There is no statutory language that would tend to limit the applicability of these statutes to specific classes of claimants or products, such as consumer transactions or consumer products.

i. Jurisdiction of Courts

Suit may be brought in any court of competent jurisdiction.

j. Rules

There is no overall rulemaking power. However, certain specific provisions of ch. 325F authorize rulemaking regarding specific products.

k. Administrative Investigative Authority

The Attorney General has authority to investigate, take discovery without civil action, and seek injunctive relief and civil penalties for unlawful acts or practices.

5. Administrator

The Attorney General's office has broad administrative authority under the statute.

6. Leading Cases

Scott v. Mego Int'l, Inc., 519 F. Supp. 1118 (D. Minn. 1981); *Kohn v. State by Humphrey*, 336 N.W.2d 292 (Minn. 1983) (reasonableness standard for investigation to continue; constitutional standards are applicable to an order compelling compliance which may violate fourth or fifth amendments).

D. Uniform Deceptive Trade Practices Act

1. State Statute

Minnesota has adopted the Uniform Deceptive Trade Practices Act. M.S.A. §§325D.43-325D.48.

2. Standing

Persons "likely to be damaged" may bring suit. M.S.A. §325D.45. The Attorney General may also sue. M.S.A. §8.31, subd. 1.

3. Remedies

Remedies available are limited to injunctions, costs, and attorney's fees. M.S.A. §325D.45.

4. Standard for Granting Relief

Remedies are discretionary. Attorney's fees may be awarded to the prevailing party if the action was brought without foundation or if the party charged willfully or knowingly engaged in deceptive trade practices. M.S.A. § 325D.45. Costs may be awarded to the prevailing party. *Id.*

5. Leading Cases

Group Health Plan, Inc. v. Philip Morris, Inc., 68 F. Supp. 2d 1064 (D. Minn. 1999); *United Wild Rice v. Nelson*, 313 N.W.2d 628 (Minn. 1981); *Scott v. Mego Int'l, Inc.*, 519 F. Supp. 1118 (D. Minn. 1981). *McClure v. American Family Mut. Ins. Co.*, 29 F. Supp. 2d 1046 (D. Minn. 1998), *aff'd* 223 F.3d 845 (8th Cir. 2000).

E. Trademark Counterfeiting

1. Specific Statutes

M.S.A. §333.42 prohibits the counterfeiting or dealing in counterfeits and provides criminal penalties.

2. Definition

Counterfeiting is not defined by the statute, but the term is used in conjunction with the term “imitation” and refers to persons who “shall counterfeit or imitate any such label, trademark, term, design, device, or form of advertisement.” M.S.A. §333.42. The statute prohibits the acts of counterfeiting, selling or circulating any counterfeit, possessing with intent to sell or dispose of any product of labor bearing a counterfeit, knowingly selling or disposing of any product of labor in a container bearing a counterfeit, or possessing with intent to sell any product of labor in a container bearing a counterfeit.

a. Registration Requirement

M.S.A. §333.43 states that “every such label, trademark, term, device, design, or form of advertisement *may* be filed for record in the Office of the Secretary of State” (emphasis added). The filing fee is \$10.

b. Identity of Types of Goods

The statute contains no requirement that offending goods be substantially identical in appearance to those of the mark owner. M.S.A. §333.42.

3. Who Can Sue

M.S.A. §8.31 might be construed to extend, to the Attorney General and injured persons, a right to sue under the counterfeiting section.

4. Remedies

a. Civil

If M.S.A. §8.31 is held to apply, an injured party may recover damages, costs and disbursements, including costs of investigation and reasonable attorney’s fees, and other equitable relief as determined by the court. In addition to the penalties provided by law, the Attorney General may sue for injunctive relief and a civil penalty not in excess of \$25,000.

b. Criminal

Three months imprisonment or a fine up to \$100.

5. Protective Provisions for Defendants

No special protective provisions for defendants are written into the statute. An action for violation of the counterfeiting statute does not require a violation of any other statutory section.

F. False Advertising

1. Statute

False statements in advertising are specifically covered by M.S.A. §325F.67.

2. Prohibited Practices

Use of any advertisement with an untrue, deceptive, or misleading material assertion, representation, or statement of fact is prohibited.

3. Limitations

The provision is limited to advertisements used in connection with items for use, consumption, purchase, or sale by the public.

4. Who Can Sue

The Attorney General and county attorney may file suit against alleged violators. In addition, M.S.A. §8.31, subd. 3a gives a right of action to any person injured by a violation of section 325F.67 and other laws against fault or fraudulent advertising. M.S.A. §325F.67.

5. Remedies

According to M.S.A. §8.31, subd. 3a, an injured party may recover actual damages; costs and disbursement, including costs of investigation and reasonable attorney's fees; and other equitable relief as determined by the court.

A violation of this section is also punishable as a misdemeanor and may be enjoined as a public nuisance.

6. Leading Cases

LensCrafters, Inc. v. Vision World, Inc., 943 F. Supp. 1481 (D. Minn. 1996); *State by Head v. AAMCO Automatic Transmissions, Inc.*, 293 Minn. 342, 199 N.W.2d 444 (1972); *State v. Gitelman*, 221 Minn. 122, 21 N.W.2d 198 (1946).

G. Corporate Name Reservation Prior to Incorporation

1. Statute

Reservation of a corporate name is governed by M.S.A. §302A.117.

2. Reservation**a. Time Period**

Name may be reserved for twelve-months.

b. Renewal

The reservation may be renewed for successive twelve-month periods.

c. Fee

A \$35 fee is required.

d. Prerequisite to Incorporation

Reservation prior to incorporation is not required.

3. Conflicting Names

No provision is made for the determination of rights between a domestic and a foreign corporation in the event of conflict. *But see* M.S.A. §302A.115. (See also the discussion at G.7, below.)

4. Restrictions on Use of "Corp." and Similar Terms

There is no provision restricting the use of "Corporation," "Inc," etc.

5. Required or Authorized Use of "Corp." or Similar Term

M.S.A. §302A.115, subd. 1(b) affirmatively requires use of the words "corporation," "incorporated," or "limited," or an abbreviation of one or more of these words, or the word "company" or the abbreviation "Co." if that word or abbreviation is not immediately preceded by the word "and" or the character "&."

6. Search Provision

The Secretary of State determines whether a name is distinguishable from another name based upon a manual search of the name to be reserved or used based on alphabetical listings comparing the first word in the corporate name. M.S.A. §§302A.115, subd. 3.

7. Policy Regarding Identical Words

A corporate name must be distinguishable from a corporate name which is in use or reserved unless the registering party has the written consent of the other party, a certified copy of a final court decree establishing a prior right to use, or an affidavit of the registering party indicating (i) other party has reserved name, been incorporated, and/or registered to do business within state for at least three years, (ii) no documents filed by other party with Secretary of State for most recent three years, (iii) registering party has mailed written notice to other party by certified mail indicating intent to use name which has been returned as undeliverable, (iv) registering party unable to find telephone listing for other party within county of other party, and (v) registering party has no knowledge that other party is currently engaged in business within the state. M.S.A. §302A.115. In practice, there must be some element of the proposed corporate name (sound,

spelling, combination of words) which is identical to an existing name in order for the state to refuse registration on the administrative level.

8. Substantive Rights

No specific substantive rights arise under state law upon registration of a corporate name, but neither is any right (such as a trademark right) which may be otherwise acquired limited by corporate name registration. *See* M.S.A. §302A.115, subd. 4. The fact that a corporation holds a state charter does not prevent issuance of an injunction prohibiting the use of its name. *Progressive Welder Co. v. Collom*, 103 U.S.P.Q. 267 (D. Minn. 1954).

9. Prohibited Terms

The corporate name must not indicate or imply that it is incorporated for a purpose other than a legal business purpose. Use of the term "Aquatennial" is limited. M.S.A. §333.14.

10. Administrative Agency

Minnesota Secretary of State
Business Services
Retirement Systems of Minnesota Building
60 Empire Drive, Suite 100
St. Paul, Minnesota 55103
Phone: 651-296-2803 or 1-877-551-6767
Email: business.services@state.mn.us
Fax: 651-297-7067
Website: <http://www.sos.state.mn.us/>

11. Forms

Forms are available online at <http://www.sos.state.mn.us/>.

12. Fees

A fee of \$35 is required for reservation.

H. Trade Name Registration (Fictitious or Assumed Name Statutes)

1. Purpose

Registration of all commercial assumed names is governed by M.S.A. §§333.001-333.065. The purpose of the statute is to identify person(s) having an interest in any business conducting or transacting business under a commercial assumed name in Minnesota.

2. Entities Required to File

Any person operating under an assumed name must register. This is specifically defined to include partnerships, limited partnerships, corporations (foreign, domestic, or nonprofit), a trust, or any other business organization. M.S.A. §333.01. Use of a full corporate name as stated in the corporate articles or the name of a Limited Liability Company name as stated in the articles of organization is considered a “true name” and not an assumed name.

3. Limited Partnerships

See H.2, above.

4. Where to File

Registration is to be filed with the Minnesota Secretary of State, Business Services, Retirement Systems of Minnesota Building, 60 Empire Drive, Suite 100, St Paul, MN 55103. Forms are available online at <http://www.sos.state.mn.us/>.

5. Fees

The filing fee is \$30, payable to the Secretary of State. M.S.A. §333.055, subd. 3. There is no fee for renewal.

6. Publication

The certificate of assumed name must be published after it has been filed with the Secretary of State in two successive issues of a qualified newspaper in a county in which the user of the name has a principal or registered office. M.S.A. §333.01.

7. Foreign Corporations

The statutes are applicable to foreign business organizations conducting or transacting a business in the state. M.S.A. §§333.001, 333.01.

8. Civil Penalties

No civil penalty is assessed for a failure to file. However, if a party failing to file commences or defends any civil action, the other party, when a defendant, may plead such failure in abatement of the action until the party files and when a plaintiff or defendant shall recover \$250 as taxable costs from the party for such failure, regardless of who prevails. M.S.A. §333.06.

9. Criminal Penalties

No criminal penalty is assessed for failure to file.

10. Certificate

A certificate is issued. A certified copy of the certificate is presumptive

evidence in the courts of Minnesota of the facts contained within the certificate. M.S.A. §333.04.

11. Renewal or Deletion

Amendment is required within sixty days of any event which makes any statement in the previous certificate incorrect. The amended certificate must be published as set forth at H.6. M.S.A. §333.035.

12. Substantive Rights

No substantive rights or interests in a trade name are conferred by filing the certificate of assumed name. M.S.A. §302A.115, subd. 4.

13. Search

The Secretary of State keeps an alphabetical list of assumed names filed together with trademarks, service marks, certification marks, and collective marks. M.S.A. §333.04.

14. Agent

The statute by its terms does not require designation of a registered agent for service of process. See, M.S.A. §302A.901, subd. 1.

15. Mail Registration

Registration may be accomplished by mail. Forms are available at <http://www.sos.state.mn.us/>.

16. Examination Procedure

The Secretary of State shall accept for filing all certificates and renewals thereof which comply with the provisions of M.S.A. §§333.001-333.06. The Secretary of State shall determine whether a name is distinguishable. M.S.A. §333.055, subd. 4.

I. State Statutory and/or Common Law Unfair Competition or Passing Off Provisions

There is no general state statute prohibiting unfair competition, apart from the state trademark, deceptive trade practices, and unfair business practices statutes. There is some case law discussing common law unfair competition.

1.-5. Not applicable.

6. Common Law Action for Unfair Competition

The courts of Minnesota recognize a state common law action for unfair competition which includes the elements of common law trademark infringement.

Common law unfair competition can be based on any of the following acts: (1) committing any act which is likely to cause purchaser confusion as to origin, source, or type of goods or services, *Minneapolis Co. v. William Normandin*, 338 N.W.2d 18 (1983); (2) tortious interference with contractual relationships; (3) improper use of trade secrets, *United Wild Rice, Inc. v. Clifton Nelson*, 313 N.W.2d 628 (1982).

A defense to a claim of common law unfair competition can be based on the grounds that the activity complained of was unavoidable under the circumstances, as may be the case when a mark is generic. *Imported Auto Parts Corp. v. R. B. Shaller & Sons, Inc.*, 258 N.W.2d 797, 202 U.S.P.Q. 235 (1977).

7. Elements of a Common Law Cause of Action

The common law action for unfair competition employs a balancing test in which the court weighs the conflicting interests and equities of the parties in determining what separates fair from unfair competition. The actual elements to be weighed are the existence of actual confusion, likelihood of confusion or deception, and other facts which will support a suit for trademark infringement. A showing of intent to deceive is not an element of common law unfair competition.

8. Remedies

Remedies available in an unfair competition action include injunctions, actual and punitive damages, lost profits, unjust enrichment of the guilty party, and attorney's fees and costs. *Temporary and permanent injunctions: North Star State Bank v. North Star Bank of Minnesota*, 361 N.W.2d 889 (Minn. Ct. App. 1985); *Advanced Training Systems. v. Caswell Equipment Co.*, 352 N.W.2d 1 (Minn. 1984); *Damages: Metric and Multistandard Components Corp. v. Metrics, Inc.*, 635 F. 2d 710 (8th Cir. 1980).

9. Leading Cases

Neely v. Boland Manufacturing Co., 274 F.2d 195 (8th Cir. 1960); *Venn v. Goedert*, 206 F. Supp. 361 (D. Minn. 1962), *aff'd*, 319 F.2d 812 (8th Cir. 1962); *Winston and Newell Co. v. Piggly Wiggly Northwest*, 221 Minn. 287, 22 N.W.2d 11 (1946).

J. Statutes of Special Application and Personal Name Statutes

1. Special Statutory Sections

The following statutes apply to particular industries and particular types of marks: (1) M.S.A. §§333.07-333.135 apply to lodge and society insignia and emblems; (2) M.S.A. §§333.14-333.16 limit the use of the

name and mark "Aquatennial"; (3) M.S.A. §333.41 governs the trademarks of workers' unions; (4) M.S.A. §§333.50-333.52 limit the use of the name and mark "Portorama"; (5) M.S.A. §§333.53-333.54 limit the use of the name and mark "Minnesota Zoological Garden".

The following activities are prohibited: (1) without authorization willfully wearing, exhibiting, displaying, printing, or using for any purpose the badge, motto, button, decoration, charm, emblem, rosette, or other insignia of any association or organization mentioned in §333.07; (2) the use or threatened use for personal or business purposes of the name and marks "Aquatennial," which is limited to those uses authorized by the Minnesota Aquatennial Association, M.S.A. §§333.14-333.16; (3) the counterfeiting or imitation of any adopted label, trademark, term, design, device, or form of advertisement adopted to distinguish any product of labor by an association or union of workmen, M.S.A. §§333.41-333-45; (4) the use or threatened use for personal or business purposes of the name and mark "Portorama," which is limited to those uses authorized by the Duluth Jaycees, M.S.A. §§333.50-52; (5) the use or threatened use for personal or business purposes of the mark "Minnesota Zoological Garden," which is limited to those uses authorized by the Minnesota Zoological board, M.S.A. §§333.53-54.

Remedies available:

(1) Any person who willfully wears, exhibits, displays, prints, or uses any registered badge, motto, button, decoration, charm, emblem, rosette, or insignia of any association or organization mentioned in §333.07 unless entitled to do so, is guilty of a misdemeanor. Upon conviction, such a person shall be punished by a fine not to exceed \$100, and in default of payment, committed to jail for not more than sixty days. §333.13.

(2) Any use of the name and mark "Aquatennial" or phrase confusingly similar thereto and calculated to deceive is a misdemeanor, M.S.A. §333.14. Threatened use may be enjoined and restrained, M.S.A. §333.15.

(3) Any unauthorized use of a mark registered to a workmen's union or any fraudulent registration of a union mark is a misdemeanor. M.S.A. §333.44.

(4) Any use of the name and mark "Portorama" or phrases confusingly similar thereto and calculated to deceive is a misdemeanor; M.S.A. §333.50. Threatened use may be enjoined and restrained, M.S.A. §333.51.

(5) Any use of the name and mark "Minnesota Zoological Garden" or phrase confusingly similar thereto and calculated to deceive is a

misdemeanor, M.S.A. §333.53. Threatened use may be enjoined and restrained, M.S.A. §333.54.

2. Use of Personal Name

There is no general personal name statute, nor are there any statutes (apart from the provisions for registration of marks) prohibiting the use of a name of living or deceased individuals. However, there is no absolute right to the use of one's personal name when confusion with an established trade name would result. *Cook Chemical Co. v. Cook Paint & Varnish Co.*, 185 F.2d 365, 87 U.S.P.Q. 346 (8th Cir. 1950).

K. Right of Publicity

State courts have not recognized a common law right of publicity. No state statute is either specifically concerned with the right of publicity nor been construed to encompass such a right.

The federal courts in Minnesota, while not construing Minnesota labor statutes, have recognized a claim based on a right of publicity, the elements of which are: commercial exploitation of a person's name, likeness, or distinguishing feature (such as voice); failure of the exploiting party to obtain the consent of the subject person. The right of publicity does not survive the death of the owner under any circumstances; it ends at the moment of the subject person's death. No showing of secondary meaning is required to support a claim based on the right of publicity. Remedies include injunctive relief and a claim for damages, lost income, and unjust enrichment. *See Uhlaender v. Henricksen*, 316 F. Supp. 1277 (D. Minn. 1970) (injunction granted to protect public personality's proprietary interest in his name and likeness). No other conditions must be met to support a claim based on the right of publicity.

In *Ventura v. Titan Sports*, 65 F.3d 725 (8th Cir. 1995), the Eighth Circuit recognized the common law tort of violation of publicity, while rejecting the invasion of privacy theory under Minnesota law. This case involved Jesse "The Body" Ventura's color commentary provided live during professional wrestling events later being reproduced on videotapes sold by the defendants.

1.-8. Not applicable.

L. Criminal Statutes

1. Statutory Provision

M.S.A. §333.42 prohibits the counterfeiting or imitation of trademarks,

including the circulation, possession with intent to sell or dispose, or knowing sale or disposal, of a product of labor upon which a counterfeit trademark is attached, affixed or impressed.

The maximum penalty is imprisonment in the county jail for not more than three months, or a fine of not more than \$100.

A violation of the counterfeiting statute does not require the violation of any other statutory section.

M. Trade Disparagement or Trade Libel

1. Statute or Common Law Doctrine

There is no state statute prohibiting trade disparagement or trade libel. Minnesota does recognize a common law action for libel of a profession or business.

2. Elements of Cause of Action

The elements of a cause of action for libel of a business or profession are that the act be libelous per se, the publication must show direct injury to a corporation or business's credit, property, or trade and have a direct reference to professional or business activity. Slander or libel affecting a person in his business, trade, office, or profession, or slander or libel per se, are actionable without any proof of actual damages. *Stuempges v. Parke, Davis & Co.*, 297 N.W.2d 252 (1980).

3. Presumptions

In general, if words are libelous per se, publication with malicious intent is presumed. *Simmons v. Halster*, 13 Minn. 249 (1868). If not libelous per se, the burden is on the plaintiff to prove that the statements were made with malice. *Froslee v. Lund's State Bank of Vining*, 131 Minn. 435, 155 N.W. 619 (1915).

4. Remedies

General tort principles are used in determining the remedies available in a trade libel action.

5. Punitive Damages

The availability of punitive damages in a trade libel context has never been addressed by the courts of Minnesota.

6. Single Publication

Minnesota courts have applied the single publication rule. *See, e.g., Church of Scientology of Minnesota v. Minnesota State Medical Ass'n Foundation*, 264 N.W.2d 152 (Minn. 1978).

7. Defenses

The general defenses of libel apply to trade libel, such as truth, consent to publication, and the qualified immunity of certain public officials.

N. Franchising or Business Opportunity Statutes

1. Statute

Franchises, M.S.A. §§80C.01-80C.30.

2. Registration

No person may offer or sell a franchise within the state unless an effective registration statement has been filed or an exemption applies. M.S.A. §80C.02. *Unlimited Horizon Marketing, Inc. v. Precision Hub, Inc.*, 533 N.W.2d 63 (Minn. Ct. Ap. 1995) (irreparable harm to the franchisee will be presumed if a person who is required to register under §80C.02 fails to do so).

3. Forms

No application forms are provided for franchise registration due to the extensive nature of the information required. The minimum disclosure provisions are set forth in M.S.A. §80C.04. However, to the extent that the document is accurate, any subsequent application that is filed within two years may incorporate the previous document by reference. *Id.* at subd. 2.

A general information fact sheet about franchise registration and a franchise registration checklist may be accessed online at the Minnesota Department of Commerce website: www.commerce.state.mn.us.

4. Fees

The registration fee is \$400, M.S.A. §80C.04, subd. 1; amendment fee, \$100, M.S.A. §80C.07; fee for the required Annual Report, \$200, M.S.A. §80C.08, subd. 1.

5. Approval Procedure

All applicants must be approved by the Commissioner of Commerce. All applications or other documents filed with the Commissioner shall be open to public inspection. M.S.A. § 80C.22.

6. Bond

If the Commissioner finds that the applicant has failed to demonstrate the establishment of adequate financial arrangements, the Commissioner may require the escrow or impoundment of franchise fees and other funds paid by the franchisee. M.S.A. §80C.05, subd. 3.

7. Waiting Period

An effective order of registration shall authorize the offer, grant, or sale of one or more franchises. Thus, the franchisor must wait for the period of time between filing of an application and the issuance of the registration order. Minn. Admin. Reg. 2860.1100. In practice, review of the application typically takes three to four weeks. Any denial, suspension, or revocation of a registration may be the subject of a hearing ordered by the Commissioner within twenty days from the date of the order. If no hearing is ordered, the applicant or registrant may request a hearing within fifteen days of the receipt of the Commissioner's order. M.S.A. §80C.12.

8. Penalties

The failure to file or adequately disclose is punishable by a fine of up to \$2,000 for each violation. A failure to comply with a final judgment or order of a court of competent jurisdiction is punishable by a fine of up to \$25,000. Any willful violation of the franchise statute is punishable by a a fine of up to \$10,000 and/or imprisonment of not more than five years. M.S.A. §80C.16, subd. 2 and subd. 3.

9. Required Disclosures

The contents of the application for registration include the identification of all principals and their current business affiliations, any involvement in criminal or business regulatory actions or orders, the business experience of the franchisor, details of all proposed franchise fee arrangements, and other franchise benefits and obligations. Additionally, a copy of all proposed or existing franchise contracts and agreements should be attached to the application. M.S.A. §80C.04.

10. Standing to Sue

A franchisee or subfranchisor may sue any person for damages sustained due to violation of the franchise statute, for rescission, or for other relief. M.S.A. §80C.17, subd. 1. No civil action may be commenced more than three years after the cause of action accrues. M.S.A. §80C.17, subd. 5. The Attorney General or any aggrieved party may seek an injunction prohibiting a violation of the motor fuel franchise provisions of the Franchise Act. M.S.A. §80C.145, subd. 10.

11. Remedies

An injured franchisee or subfranchisor may sue for damages, rescission, or other relief the court may deem appropriate. M.S.A. §80C.17, subd. 1. Nothing in the Franchise Act limits power of the state to punish any person for conduct which would otherwise constitute a criminal offense. M.S.A. §80C.16, subd. 3(c). Irreparable

harm to the franchisee will be presumed in certain circumstances for violations by a person required to register, but failing to do so. M.S.A. §80C.14, subd. 1.

12. Contract Requirements

The Franchise Act governs sales and offers to sell, purchases made or accepted, or franchises located, within the State of Minnesota. M.S.A. §80C.19.

13. Exceptions

Registration is not required for various persons, including franchisees reselling a franchise, many of those acting in fiduciary or representative capacities, and those who sell a single franchise in a single year, do not advertise their franchise, and meet other conditions. M.S.A. §80C.03.

14. Registered Marks Exception

A franchise includes a business which offers or distributes goods or services using the franchisor's trade name, trademark, service mark, logotype, advertising, or other commercial symbol or related characteristics, in which both parties have a community of interest, and for which a franchise fee is paid. M.S.A. §80C.01, subd. 4(1)(ii).

15. Federal Registration

There is no statute or regulation recognizing use of a federal registration.

16. Use of UFOC

The Commissioner may accept as application for registration the Uniform Franchise Registration Application as adopted by the North American Securities Administrators Association; however, the Commissioner reserves the right to require alterations in the Uniform Franchise Offering Circular as he may deem necessary. Minn. Admin. Reg. 2860.3800.

17. Other Forms

The Annual Report shall be in the form prescribed by rule of the Commissioner of Commerce. M.S.A. §80C.08. No explicit recognition of other forms is made in the Franchise Act.

18. Amendment

An amendment, accompanied by a fee of \$100, shall be filed in writing with the Commissioner of Commerce within 30 days after the

occurrence of any material change in the information on file. M.S.A. §80C.07.

19. Other Franchise Regulations

No advertisement offering a franchise may be published unless a true copy of the advertisement has been filed with the Commissioner of Commerce at least five days before publication. M.S.A. §80C.09. The statute provides specific procedures for denial, revocation, and suspension of registrations and exemptions. M.S.A. §80C.12. Prohibited and unfair practices are set forth. M.S.A. §§80C.13, 80C.14. The Minnesota Franchise Act makes it unlawful to offer or sell any franchise without first providing to the prospective Franchisee, at least seven days prior to the execution of any binding agreement, a copy of the public offering statement together with a copy of all proposed agreements relating to the franchise. Minn. Admin. Reg. 2860.3300.

20. Liability of Franchisor for Torts of Franchisee

State courts have not addressed the question of franchisor liability for the torts of a franchisee.

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