

**Mississippi Secretary of State
2008 Business Reform Study Groups
Minutes of Trademarks Study Group Meeting #3
July 29, 2008**

The third meeting of the Trademarks Study Group was called to order on Wednesday, July 29, 2008 at 11:15 A.M. at the Office of the Secretary of State, 700 North Street, Jackson, Mississippi. A roster of members attending in person or by telephone, along with the Secretary of State personnel in attendance, is included as Exhibit A.

Cheryn Baker, Assistant Secretary of State, Policy and Research, welcomed the Study Group and called the roll of those members attending by telephone. Chairman Dan Hise noted that the last meeting's minutes were still being reviewed and recommended that the Study Group approve the minutes through e-mail. Hise introduced two issues still to be discussed regarding adoption of the Model State Trademark Bill ("MSTB").

Issue 1: Fair Use

Doug Jennings, Senior Attorney, Policy and Research, explained the reason for the lack of fair use provisions in Mississippi's current trademark scheme. He noted that in early 1996, Mississippi adopted the 1992 revision of the MSTB, which itself contained no fair use provisions. Language regarding fair use was not added to the MSTB until late 1996. There was no intention on the part of the business law advisory group or the legislature to exclude these provisions; it was simply a timing issue.

The group unanimously approved the adoption of the fair use provisions in the current MSTB.

Issue 2: Route of Appeal for Rejections / Administrative Hearing Procedures

Next, the Group discussed the appeal process following the Secretary of State's refusal to register a mark. Mississippi law currently allows applicants to appeal such refusals to the Hinds County Chancery Court. In a previous meeting, one member suggested that appeals be handled by administrative proceeding at the Secretary of State's Office, rather than at the Chancery Court.

One member noted that under current law all applicants have to pursue such appeals in Jackson, regardless of where they reside. The member opined that it should not cost more for a person living in another part of the state to appeal than it costs an applicant who lives in Jackson. Tom Riley, Assistant Secretary of State, Business Services, stated that there would be a manpower problem if the Secretary of State were required to defend its decisions all over the state. Another member noted that chancellors in many counties had little experience with appeals of state agency decisions, and that chancellors in Hinds County were very experienced in such matters. Another member

opined that hearing such appeals in every county would be counterproductive to the long-term goal of having a specialized business court deal with such appeals.

Next, for a point of reference, Tricia Melvin, Senior Attorney, Business Regulation and Enforcement (“BRE”), discussed the Secretary of State’s administrative approach to appeals within BRE’s jurisdiction. A summary of Melvin’s presentation is included in Exhibit B.

The group discussed this issue. One member recommended tabling the discussion of an administrative appeal pending the viability of the Business Court in Mississippi which could hear appeals of this type. Another member responded that the focus on improving the appellate process was a business-friendly concept, particularly having an administrative hearing officer protect a registrant’s right of appeal.

After a lengthy discussion of various modifications to the current appeals process the Group recommended to maintain the state’s current law regarding the appeals process for denials of registration.

Recommendation to Adopt the MSTB

Chairman Hise asked for a final recommendation from the Group to adopt the Model State Trademark Bill. The Group recommended adoption of the MSTB.

Next, the group discussed issues to be considered in the future.

Future Issue 1: Discussion of Right-of-Publicity Statutes

The Group discussed the possibility of adopting a right-of-publicity statute. One member stated that he believed adopting such a law would be anti-business, rather than pro-business. Finding no strong opinion from any member in favor of adopting a right-of-publicity statute, the group decided to table this issue and take no action at this time.

Future Issue 2: Discussion of Trade Name Registration Statutes

Jennings noted that corporations, limited partnerships, and limited liability companies doing business in the State were required by law to register their names with the Secretary of State, but that sole proprietors were not. Jennings noted that some states had adopted legislation requiring sole proprietors to register their trade names (also called “DBA’s”). The group discussed the benefits and drawbacks of mandatory registration of trade names for sole proprietors. One member stated his belief that adopting a trade-name registration statute would not be considered “business-friendly.” After further discussion, the Group agreed to table the issue and make no recommendation at this time.

Further Discussion

Secretary of State Hosemann reminded the Group that its primary objective was to identify protections for intellectual property that would distinguish Mississippi from other states. Hosemann explained that Mississippi was exploring the potential for creating an entertainment district similar to Branson, Missouri, and noted that a major part of the success of such a project would be intellectual property protection that would draw artists to the state.

A member suggested that while federal copyright law preempted most action Mississippi could take concerning intellectual property protection, the state could provide additional remedies as a means of attracting artists. Hosemann then implored the Group to continue to submit any further ideas that would bolster protection of intellectual property.

A member recommended adding a feature to the Secretary of State's website explaining the difference between a state trademark registration and business entity registration with the Secretary of State's office, such as incorporations and registrations of limited liability companies and limited partnerships. Cheryn Baker responded that the agency was presently addressing similar issues that had arisen in other study groups and would respond to this recommendation as well.

Conclusion

After concluding all business and determining that there was no need for additional meetings, Chairman Hise requested that the Group be available to the Secretary of State in the future for input and assistance on intellectual property issues as needed. Ms. Baker announced that the Staff will prepare a final report of the Group's activities and recommendations which will be circulated to the Group for approval, along with the minutes of the last two meetings. With no further business, the meeting was adjourned at 12:55. P.M.

Respectfully submitted,



Cheryn Baker
Assistant Secretary of State
Policy and Research Division

EXHIBIT A
to the Minutes of Trademark Study Group Meeting #3

Attending:

Dan Hise, Chair
William Brabec
Stephen Carmody
Danny Drake
Phil Friedman
Jerome Hafter
John Healy
Greg Hinkebein
Ravi Raju
Whit Rayner

By telephone:

Michael Goggans

Secretary of State Personnel Attending:

Delbert Hosemann, Secretary of State
Cory Wilson, Chief of Staff
Cheryn Baker, Assistant Secretary of State, Policy and Research
Tom Riley, Assistant Secretary of State, Business Services
Doug Jennings, Senior Attorney, Policy and Research
Tricia Melvin, Senior Attorney, Business Regulation and Enforcement
Phillips Strickland, Division Coordinator
Jeff Lee, Intern

Exhibit B
to the Minutes of Trademarks Study Group Meeting #3

Summary of the Secretary of State's Administrative Procedure for Appeal:

In summary, an appellant is given notice of her right to appeal BRE's ruling, including the date, time, and place of the hearing. If the applicant chooses, the hearing is conducted by a hearing officer selected by the Secretary of State. The Secretary of State uses local attorneys as needed who have experience in the appropriate area of concern to act as hearing officers on a contract basis. Fourteen (14) days prior to the hearing, the parties submit witness lists, documents, and affidavits. The hearing officer conducts the hearing as a judge, making evidentiary rulings and allowing or disallowing witnesses, and making all conclusions of fact and law. The Mississippi Rules of Civil Procedure are persuasive for the hearing, but not binding. A court reporter records the proceedings. The Secretary of State is the final authority, choosing whether to adopt the hearing officer's opinion. After the ruling, the appellant has sixty (60) days to appeal the ruling to the Hinds County Court of Chancery's First District.