

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 110 (Chairman, Judicial Proceedings Committee)
(Departmental - Secretary of State)

Judicial Proceedings

Trademark Counterfeiting - State Registration

This departmental bill repeals current law that provides that State registration of intellectual property is prima facie evidence that the intellectual property is a trademark or trade name.

Fiscal Summary

State Effect: None, as discussed below.

Local Effect: None.

Small Business Effect: The Office of the Secretary of State has determined that this bill has minimal or no impact on small businesses (attached). Fiscal Services concurs with this assessment.

Fiscal Analysis

State Expenditures: Legislation enacted during the 1996 session (Chapter 582 of 1996) establishing the crime of trademark counterfeiting included the provision that State or federal registration of intellectual property is prima facie evidence that the intellectual property is a trademark or trade name. The Office of the Secretary of State has not yet changed its reviewing processes in order to implement this provision. Since this bill would allow current practices to continue, it would not affect State expenditures.

Additional Comments: According to the Office of the Secretary of State, since State trademark registration may now have significant criminal implications as a result of Chapter 582, it may be necessary to issue increased denials of trademark registration. This could generate increased expenditures for additional hearings since under current law, before denying registration, the Secretary of State must give the applicant an opportunity for an informal hearing. According to the Office of the Secretary of State, enactment of this bill will preclude the need to hire a grade 18 attorney (\$36,891 base salary) to conduct the additional hearings it anticipates. However, Fiscal Services advises that the need for additional personnel depends on the number of additional hearings which cannot be reliably estimated at this time.

Information Source(s): Secretary of State, Department of Fiscal Services

Fiscal Note History: First Reader - January 8, 1997

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