

Sixty-first
Legislative Assembly
of North Dakota

SENATE BILL NO.

Introduced by

Senator Olafson

1 A BILL for an Act to create and enact a new section to chapter 47-25 of the North Dakota
2 Century Code, relating to use of trade names by franchisees; and to amend and reenact
3 sections 47-25-06.1 and 47-25-07 of the North Dakota Century Code, relating to amendments
4 and cancellation of trade name registrations.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** A new section to chapter 47-25 of the North Dakota Century Code is
7 created and enacted as follows:

8 **Certain use of trade names by franchisees restricted.**

- 9 1. Except as provided in section 47-25-03, an individual or organization that is a
10 franchisee may not register a licensed trade name under this chapter. If the
11 licensed trade name is not registered as provided in this chapter, the franchisee
12 may not use the trade name in this state until it has provided the following
13 disclosure information to the secretary of state on a form prescribed by the
14 secretary of state for that purpose:
- 15 a. The true and full name and business address of the franchisee;
 - 16 b. The complete trade name licensed to the franchisee;
 - 17 c. The address of each place of business in this state where the franchisee will
18 use or display the unregistered trade name;
 - 19 d. The name and address of the franchiser or other licensor of the trade name;
20 and
 - 21 e. Any other information that the secretary of state may reasonably request to
22 identify or contact the franchisee. The disclosure filing required under this
23 subsection is subject to the same filing fee and renewal requirements as
24 provided in section 47-25-04 for trade name registrations.

2. A trade name licensed to a franchisee that is not registered under the provisions of this chapter is not entitled to any trade name protection provided by this chapter.

SECTION 2. AMENDMENT. Section 47-25-06.1 of the North Dakota Century Code is amended and reenacted as follows:

47-25-06.1. Change of name or address of registrant - Other amendments. Any registrant that effects a name change must record that name change with the secretary of state. The secretary of state must record the name change upon the payment of a fee of twenty-five dollars and filing of the following:

1. A notarized statement reciting the name change if the registrant is an individual;
2. A certificate of fact reciting the name change duly authenticated by the proper officer of the state or country if the registrant is a corporation, limited liability company, limited partnership, limited liability partnership, or limited liability limited partnership incorporated or organized in another state or country and does not have a certificate of authority to transact business in North Dakota; or
3. An amendment or application for amended certificate of authority for a registrant that is a corporation, limited liability company, limited partnership, limited liability partnership, or limited liability limited partnership registered with the secretary of state.

The secretary of state shall issue a certificate in the new name of the registrant for the remainder of the term of the registration or of the last renewal thereof.

A registrant must notify the secretary of state in writing when effecting a change of address. A corporate annual report filed by the secretary of state that reflects a change of address of the principal place of business of a registrant may serve as such notice.

A registrant may submit an amendment to a trade registration on a form prescribed by the secretary of state to show any change in the nature of the business or in the purpose of the registration. The secretary of state shall amend the registration upon receipt of the completed form and payment of a fee of twenty-five dollars by the registrant.

SECTION 3. AMENDMENT. Section 47-25-07 of the North Dakota Century Code is amended and reenacted as follows:

47-25-07. Cancellation. The secretary of state shall cancel from the register:

- 1 1. Any registration concerning which the secretary of state receives a voluntary
2 written and signed request for cancellation from the registrant or the assignee of
3 record. In the case of a registrant who is a deceased individual, the request for
4 cancellation may be made by the personal representative of the registrant's estate.
- 5 2. Any registration concerning which a state district court finds any of the following:
6 a. That the registered trade name has been abandoned.
7 b. That the registrant is not the owner of the trade name.
8 c. That the registration was granted improperly.
9 d. That the registration was obtained fraudulently.
10 e. That the trade name registered is so similar to a trade name registered by
11 another person as to be likely to cause confusion or mistake or to deceive.
- 12 3. Any registration a district court orders canceled on any grounds.
- 13 4. Any trade name when the registrant is a corporation, limited liability company,
14 limited partnership, limited liability partnership, or limited liability limited partnership
15 that has ceased to exist for six months.