

Protecting the Idaho Potato Certification Mark

or

Adventures in Spud Fraud By Michael S. Gilmore

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The Lanham Act, 15 U.S.C. Ch. 22, §§ 1051 *et seq.*, defines four marks:

trademark,
service mark,
certification mark, and
collective mark.

15 U.S.C. § 1127. The term “mark” includes any trademark, service mark, certification mark, or collective mark. *Id.*

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Trademark

The term “trademark” includes any word, name, symbol, or device, or any combination thereof—

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,

to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

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Service mark

The term “service mark” means any word, name, symbol, or device, or any combination thereof—

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,

to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is unknown. Titles, character names, and other distinctive features of radio or television programs may be registered as service marks

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Certification mark

The term “certification mark” means any word, name, symbol, or device, or any combination thereof—

- (1) used by a person other than its owner, or
- (2) which its owner has a bona fide intention to permit a person other than the owner to use in commerce and files an application to register on the principal register established by this chapter,

to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person’s goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.

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Collective mark

The term “collective mark” means a trademark or service mark—

- (1) used by the members of a cooperative, an association, or other collective group or organization, or
- (2) which such cooperative, association, or other collective group or organization has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,

and includes marks indicating membership in a union, an association, or other organization.

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Trademark Electronic Search System (TESS)

Three options:

[Basic Word Mark Search \(New User\)](#)

[Word and/or Design Mark Search \(Structured\)](#)

[Word and/or Design Mark Search \(Free Form\)](#)

https://tmsearch.uspto.gov/bin/gate.exe?f=login&p_lang=english&p_d=trmk

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Examples of Trademarks

There were 195 entries for Coca-Cola

There were entries for the Boeing 737, 747, 757, 767, 777, 777X, and 787 as well as others

There were 79 entries for Gucci handbags

There were 46 entries for stainless steel rebar (reinforcing bar)

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Examples of service marks

There were 2,305 examples of service marks for eye surgery

There were 4,728 examples of service marks for day care

There were 633 examples of service marks for shoe repair

There were 15,682 examples of service marks for lawyer or attorney

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Examples of Certification Marks

Food: Kosher foods, Florida oranges, Napa Valley wines, gluten-free

Construction materials: steel (inspection services, sustainability, alloys or grades of steel)

Surgery: 102 Certification marks, including for Foot & Ankle, Oral & Maxillofacial, and Interventional Cardiac Surgeries

Safety: Underwriters Laboratories (product safety of electrical appliances)

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What does a lawyer's service mark look like?



Word Mark

RR
Raiff Representation, PLLC LIMITED LIABILITY
COMPANY ARIZONA 3260 N. Hayden Rd. Suite 210
Scottsdale ARIZONA 85251

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Idaho Potato Commission Mark, Serial No. 85544903



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What does IPC mark 85544903 certify?

“The certification mark, as used by authorized persons, certifies the regional origin of potatoes grown in the State of Idaho and certifies that those potatoes conform to grade, size, weight, color, shape, cleanliness, variety, internal defect, external defect, maturity and residue level standards promulgated by the certifier.”

Other IPC marks have similar certifications.

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15 U.S.C. § 1064. Cancellation

A petition to cancel a registration of a mark, stating the grounds relied upon, may ... be filed as follows by any person who believes that he is or will be damaged,

....

(5) At any time in the case of a certification mark on the ground that the registrant

(A) does not control, or is not able legitimately to exercise control over, the use of such mark, or

(B) engages in the production or marketing of any goods or services to which the certification mark is applied, or

(C) permits the use of the certification mark for purposes other than to certify, or

(D) discriminately refuses to certify or to continue to certify the goods or services of any person who maintains the standards or conditions which such mark certifies:

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15 U.S.C. § 1114. Remedies; infringement ...

(1) Any person who shall, without the consent of the registrant—

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or ...

shall be liable in a civil action by the registrant for the remedies hereinafter provided.

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15 U.S.C. § 1116. Injunctions; enforcement; ...

(a) The several courts vested with jurisdiction of civil actions arising under this chapter shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent and Trademark Office or to prevent a violation under subsection (a), (c), or (d) of section 1125 of this title.

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15 U.S.C. § 1117. Recovery of profits, damages, and costs

(c) In a case involving the use of a counterfeit mark ... in connection with the sale, offering for sale, or distribution of goods or services, the plaintiff may elect ... to recover ... an award of statutory damages for any such use ... in the amount of -

(1) not less than \$1,000 or more than \$200,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just; or

...

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TITLE X - CONSTRUCTION AND DEFINITIONS

15 U.S.C. § 1127.

In the construction of this chapter, unless the contrary is plainly apparent from the context—

....

Counterfeit. A “counterfeit” is a spurious mark which is identical with, or substantially indistinguishable from, a registered mark.

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Blaine Larsen Processing, Inc. v. Hapco Farms, Inc., 2000 WL 35539979

Larsen testified ... he confronted [Hapco's principal] Harvey Pollak regarding misbranding ... Mr. Pollak told him that the misbranding had been an isolated incident, and would not occur again. ... Larsen testified that another Hapco official told him that Hapco ... misbrand[ed] on several occasions. ... Other evidence ... included ... the terms of the settlement agreement ..., which included an admission by Hapco that ... evidence existed to prove misbranding, the testimony of several line workers ... that they had been directed to misbrand, the testimony of several former Hapco employees who refused to answer questions ... on the ground that answering might tend to incriminate them, and testimony that a manager ... destroyed ... videotape depicting misbranding
....

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State of Idaho Potato Com'n v. G&T Terminal Packaging, Inc., 425 F.3d 708, 76 U.S.P.Q.2d 1835 (9th Cir. 2005)

- M&M did not renew its license to sell IPC certified potatoes, ordered 100,000 bags with the IPC mark and used them to pack potatoes
- IPC sued M&M in Idaho Federal District Court, but the case was stayed by a US District Court in New York where four wholesale produce distributors had sued IPC; the four cases were consolidated
- The other NY cases ended when IPC successfully invoked the Eleventh Amendment, with a bankruptcy, and with a settlement, so the M&M case returned to Idaho Federal District Court

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IPC v. G&T (continued)

- G&T was run by a colorful character
- G&T had no general ledger or records of origin of potatoes packed in IPC bags
- Discovery was unavailing
- Among other things, Idaho Federal District Court awarded IPC \$100,000 in statutory damages based in part upon IPC's evidence that the then marketplace premium for Idaho potatoes was roughly a dollar a bag

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IPC v. G&T (continued)

Ninth Circuit said:

- G&T said its use of IPC's mark constituted mere infringement, not counterfeiting.
- However, many cases have found a likelihood of confusion when a trademark owner was prevented from exercising quality control over the merchandise bearing its mark.
- [T]he [certification] mark holder's ability to institute quality controls [is] vital if a mark is to serve its purpose. ... IPC certifies ... potatoes meet the standards the mark represents. G&T ... did not keep ... the records ... required ... under IPC rules. By depriving IPC of the opportunity to monitor and control quality, G&T created the potential for consumer confusion.

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IPC v. G&T (continued)

[T]hose making unauthorized use of the mark gain a market advantage by avoiding the expense of record keeping and following IPC's ... rules. ... IPC's function is to police its mark, ... IPC will have trouble establishing damages ... against an unlicensed user. If its only remedy is injunctive relief, ... there is very little incentive ... to obtain a license. ... [T]he qualities that distinguish a certification mark from a trademark weigh in favor of making § 1117's statutory penalties available in cases ... where an ex-licensee intentionally makes unauthorized use of a certification mark. [¶] ... G&T's unlicensed use of [the] mark was likely to cause confusion and to undermine the effectiveness of IPC's certification mark licensing regime, ... G&T's use constituted counterfeiting.