Protecting the Idaho Certification Mark for Potatoes, or, Adventures in Spud Fraud

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April 19, 2018

Certification Marks are defined in the Lanham Act

Title 15. Commerce and Trade

Chapter 22. Trademarks, 15 U.S.C.

§§ 1051 et seq.,

§ 1127 Definitions

Registered Marks can be found thru the Patent & Trademark Office Website

Trademark Electronic Search System (TESS)

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http://www.uspto.gov/
[click]
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https://www.uspto.gov/trademarks-application-process/search-trademark-database

FAQs:

http://www.uspto.gov/faq/trademarks.jsp

15 U.S.C. § 1127. Construction and definitions; intent of chapter

. . .

The term "mark" includes any trademark, service mark, collective mark, or certification mark.

The term "<u>trademark</u>" includes any <u>word</u>, <u>name</u>, <u>symbol</u>, or <u>device</u>, or <u>any combination</u> thereof –

- (1) <u>used</u> by a person, or
- (2) which a person has a bona fide intention to use in commerce and <u>applies to register</u> 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.

Words "Coca Cola" produce 189 hits in the TESS search. Here are the first ten:

	Serial Number	Reg. Number	Word Mark	Check Status	Live/De ad
1	87652780		THE COCA-COLA COMPANY BEVERAGES FOR LIFE	<u>TSDR</u>	<u>LIVE</u>
2	87652775		THE COCA-COLA COMPANY BEVERAGES FOR LIFE	<u>TSDR</u>	<u>LIVE</u>
3	87030698	<u>5355874</u>	CONA COKE ONE SERVICES LLC A COCA-COLA SYSTEM IT SERVICES COMPANY	<u>TSDR</u>	<u>LIVE</u>
4	86590728		COCA-COLA GLACIER	<u>TSDR</u>	<u>LIVE</u>
5	86210052		COCA-COLA MOVEMENT IS HAPPINESS	<u>TSDR</u>	<u>DEAD</u>
6	86037374	<u>4927889</u>	COCA-COLA LIFE	<u>TSDR</u>	<u>LIVE</u>
7	86058825	<u>4777854</u>	COCA-COLA LIFE	<u>TSDR</u>	<u>LIVE</u>
8	85240503	<u>4019547</u>	COCA-COLA	<u>TSDR</u>	<u>LIVE</u>
9	85742540		COCA-COLA PLACELISTS	<u>TSDR</u>	<u>DEAD</u>
10	85848317		COCA COLA	<u>TSDR</u>	<u>DEAD</u>

TSDR = Trademark Status & Document Retrieval

Examples of Trademarks

• Condiments:

Outback Signature Steak Sauce, Heinz 57, El Toro Salsa Picante Hot Sauce

• Concrete:

Engineered Architecturals, Consolideck High Performance Concrete Realcrete PC

Condoms:

Emoji, Smart Girl, Cover Your Lover

The term "service mark" means any word, name, symbol, or device, or any combination thereof –

- (1) <u>used</u> by a person, or
- (2) which a person has a bona fide intention to use in commerce and <u>applies to register</u> on the principal register established by this chapter,

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

Examples of Service Marks:

• Surgery:

Kootenai Clinic, Sports Medicine & Orthopaedics Fairbanks, Hand Surgery Specialists, Children's Boston Hospital for Young Hearts

• Service of Process:

Easy Serve, Kern Legal Services, You Got Served

• Surveillance:

Valley Enterprises (Rigby), Luxon Energy (Rexburg), ESG (Boise)

Examples of Marks That Are Both Trademarks and Service Marks

• Food:

It's Finger Lickin' Good, Happy Meal, Blue Hen Oysters, Dutch Bros Coffee

• Fans:

Powered by Cummins (engine fans and fan belts), ABB Autonomous Operations (fans for heating, cooling, ventilation, etc.)

The term "collective mark" means a <u>trademark</u> or <u>service mark</u> –

- (1) <u>used</u> 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 <u>marks</u> indicating <u>membership</u> in a union, an association, or other organization.

Examples of Collective Marks

There were 26 hits when I typed in the search term "Collective Mark", five of which were live:

- ASOA (held by American Society of Cataract and Refractive Surgery) (live)
- Certified Bookkeepers of America (dead)
- ASA (American Ski Association) (dead)
- National Board of Trade (dead)

Query: Do these results show that I do not know how to use the database?

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 <u>regional or other origin</u>, <u>material</u>, <u>mode of manufacture</u>, <u>quality</u>, <u>accuracy</u>, or other <u>characteristics</u> of such person's <u>goods or services</u> or that the <u>work or labor</u> on the goods or services was performed by members of a union or other organization.

§ 1054. ... [C]ertification marks registrable

... [C]ertification marks, including indications of regional origin, shall be registrable ... by persons, and nations, States, municipalities, and the like, exercising legitimate control over the use of the marks ..., even though not possessing an industrial or commercial establishment, and when registered they shall be entitled to the protection provided in this chapter ..., except ... certification marks ... used ... to represent falsely that the owner or a user thereof makes or sells the goods or performs the services on or in connection with which such mark is used. ...

§ 1064. Cancellation of registration

- (5) ... [I]n the case of a <u>certification mark</u> on the ground that the registrant
 - (A) <u>does not control</u>, or is not able legitimately to exercise control over, the use of such mark, or
 - (B) engages in the <u>production or marketing</u> of any goods or services to which the certification mark is applied, or
 - (C) permits the use of the certification mark for <u>purposes</u> other than to certify, or
 - (D) <u>discriminately refuses to certify</u> or to continue to certify the <u>goods or services</u> of any person who <u>maintains</u> the <u>standards or conditions</u> which such mark certifies:

. . . .

Nothing in paragraph (5) shall be deemed to prohibit the registrant from using its <u>certification mark</u> in <u>advertising or promoting recognition of the certification program</u> or of the <u>goods or services</u> meeting the certification standards of the registrant. Such uses of the certification mark shall not be grounds for cancellation under paragraph (5), so long as <u>the registrant</u> does not itself produce, manufacture, or sell any of the certified goods or services to which its identical certification mark is applied.

Examples of Certification Marks

Regional Origin:

- Brooklyn Made (goods manufactured in whole, or in part, in B~, or services emanating from B~)
- Napa Valley (wines derived from grapes grown in the Napa Valley American Viticultural Area ...)
- Idaho High Desert Durum (certifies the regional origin of wheat grown in Idaho ...)
- Chianti Classico Dal 1716 (certifies that wines come from a certain region of Tuscany and meet applicable standards)

Materials:

Wool:

• Wool Safe Approved Certification Mark, Mongolian Cashmere Pure, Woolmark Pure Merino Wool

Cotton:

 Certified Fibermax Cotton, Egyptian Cotton (certifies Barbadense cotton grown in Egypt)

Wood:

• Sustainable Forestry Initiative, Fiji Pure Mahogany

Quality

Concrete:

• C US (certifies that good tested comply the product safety, suitability for purpose, etc.)

Steel:

• AISC Certified Fabricator (certifies that fabrication facility implements a nationally recognized quality management system specific to steel construction industry and has undergone an independent third-party audit)

What kind of litigation is brought regarding certification marks? Litigation to Protect a Mark

Community of Roquefort v. Santo, 443 F.2d 1196 (USCCPA 1971). Community of Roquefort, France, sued to protect use of word "Roquefort" only for cheeses manufactured from sheep's milk and cured in the caves near Roquefort, France, by processes long used there; no infringement found for use of word "Roquital" to describe a salad dressing using both Roquefort cheese and elements of Italian dressings.

Litigation to Cancel a Mark

Midwest Plastic Fabricators, Inc. v. Underwriters Laboratories, Inc., 906 F.2d 1568 (Fed.Cir. 1990). Court affirms Trademark Trial & Appeal Board's (TTAB's) refusal to cancel UL mark:

- (1) manufacturers' self-certification that PVC pipe (or other goods) complies with UL's safety standards is *not* use of the mark for purposes other than certification;
- (2) self-certification is <u>not</u> a failure to control use of the mark because statute does not require the mark registrant to be the product tester; and
- (3) presence of some counterfeiting of UL mark did *not* prove lack of control.

Litigation to Register a Mark

Levy v. Kosher Overseers Assoc. of America, 104 F.3d 38 (2nd Cir. 1997). Two rival rabbinical groups — KOAA and Rabbis Don Yoel Levy and Eliezer Levy, d.b.a. Organized Kashruth Laboratories — litigate whether the TTAB's refusal to register the Levys' mark on the ground that it was confusingly similar to KOAA's mark was collateral estoppel on the issue of likelihood of confusion in the marketplace that underlies injunctive relief. The 2nd Circuit held that there was no collateral estoppel because the TTAB and the District Court apply different tests for refusal to register and for injunctive relief.

Idaho Potato Commission (IPC) created by Idaho Code § 22-1202

- § 22-1207(8) gives IPC authority to protect certification marks or trademarks promoted or used by IPC
- § 22-1207(11)-(12) gives IPC authority to designate marks, seals, labels, etc., to promote and identify Idaho potatoes
- § 22-1207(13) gives IPC authority to prevent misrepresentation, mislabeling, etc., of other potatoes as Idaho potatoes
- § 22-1207(16) gives IPC authority to prevent unlicensed use of marks for Idaho potatoes

TESS Search for Live Certification Marks for Idaho & Potato

	Serial Number	Reg. Number	Word Mark	Check Status	Live/ Dead
1	85544909	4221403	CERTIFIED GENUINE IDAHO POTATOES GROWN IN IDAHO	<u>TSDR</u>	LIVE
2	<u>85544903</u>	4221402	CERTIFIED GENUINE IDAHO POTATOES GROWN IN IDAHO	<u>TSDR</u>	<u>LIVE</u>
3	78443108	3107838	IDAHO PREFERRED	TSDR	LIVE
4	78417683	3107780	IDAHO PREFERRED	TSDR	LIVE
5	77335650	<u>3530136</u>	CERTIFIED GROWN IN IDAHO 100% IDAHO POTATOES	<u>TSDR</u>	LIVE
6	77335656	3530137	CERTIFIED GROWN IN IDAHO 100% IDAHO POTATOES	<u>TSDR</u>	<u>LIVE</u>
7	<u>76542380</u>	<u>2914309</u>		<u>TSDR</u>	<u>LIVE</u>
8	<u>76542379</u>	<u>2914308</u>		<u>TSDR</u>	<u>LIVE</u>
9	<u>76542378</u>	<u>2914307</u>		<u>TSDR</u>	<u>LIVE</u>
10	<u>76542377</u>	<u>2914306</u>		<u>TSDR</u>	<u>LIVE</u>
11	<u>76542376</u>	<u>2934385</u>		<u>TSDR</u>	<u>LIVE</u>
12	<u>74189696</u>	<u>1735559</u>		<u>TSDR</u>	<u>LIVE</u>
13	<u>72204792</u>	<u>0802418</u>	<u>IDAHO</u>	<u>TSDR</u>	<u>LIVE</u>
14	<u>71691298</u>	<u>0631499</u>	GROWN IN IDAHO	<u>TSDR</u>	<u>LIVE</u>

TESS Search of Idaho & Potato & Live Yields 348 Hits (First 10)

	Serial Number	Word Mark	Check Status	Live/ Dead
1	87553329	CARBSMART	<u>TSDR</u>	<u>LIVE</u>
2	87797003	<u>POTATOVATION</u>	<u>TSDR</u>	<u>LIVE</u>
3	87796991	<u>POTATOVATION</u>	<u>TSDR</u>	<u>LIVE</u>
4	87677480	BUTTERY GOLDEN SELECTS	<u>TSDR</u>	<u>LIVE</u>
5	87267432	<u>OUTGIV</u>	<u>TSDR</u>	DEAD
6	87790866	<u>SODAVINE</u>	<u>TSDR</u>	<u>LIVE</u>
7	87781941	<u>SIMPLOT</u>	<u>TSDR</u>	<u>LIVE</u>
8	87280067	MOUNTAIN HARVEST	<u>TSDR</u>	<u>LIVE</u>
		TASTEFUL BLENDS SIMPLY GOOD SIMPLY		
9	87154365	<u>FRESH</u>	<u>TSDR</u>	<u>LIVE</u>
10	87237536	QUICKIES	TSDR	LIVE

Hunts Point Cooperative Market

The Hunts Point Cooperative Market, a 24/7 wholesale food market ... in the Bronx, New York City, is the largest food distribution center of its kind in the world. ... [It] houses the Fulton Fish Market, a produce market, ... and is the source for approximately 50 percent of the New York region's meat. More than 50 independent wholesale food businesses located at the Market supply food to over 22 million people in the New York metropolitan area.

[T]he Market now consists of seven large refrigerated/freezer buildings ... with a total refrigerated space of ... 700,000 square feet ... and is governed by the [USDA].

http://en.wikipedia.org/wiki/Hunts_Point_Cooperative_Market

Blaine Larsen Processing, Inc. v. Hapco Farms, Inc., 2000 WL 35539979 (D.Idaho 2000)

This defamation case included witnesses who invoked the Fifth Amendment rather than answer whether they had misbranded Idaho potatoes, line workers who testified that they had been ordered to misbrand potatoes, managers who destroyed videotapes showing misbranding, and evidence of Hapco's settlement with IPC for misbranding.

Verdict reduced from \$11,200,000 to \$5,000,000.

Was there litigation involving IPC's Certification Marks?

Yes, on two fronts, in New York and Idaho

Idaho case

IPC v. G&T Terminal Packaging, Inc., CIV-09-088-S-DOC (D.Idaho 2003)

State of Idaho Potato Commission v. G&T Terminal Packaging, Inc., 425 F.3d 708 (9th Cir. 2005)

Reported New York Decisions

Idaho Potato Com'n v. Majestic Produce Corp., 1998 WL 760333 (E.D.N.Y. 1998)

Idaho Potato Com'n v. M & M Produce Farms & Sales, 35 F.Supp.2d 313 (S.D.N.Y. 1999)

Idaho Potato Com'n v. M & M Produce Farms & Sales, 95 F.Supp.2d 150 (S.D.N.Y. 2000)

Hapco Farms, Inc. v. Idaho Potato Com'n, 238 F.3d 468 (2nd Cir. 2001)

Idaho Potato Commission v. M & M Produce Farm & Sales, 335 F.3d 130 (2nd Cir. 2003), cert. denied, 541 U.S. 1027, 124 S.Ct. 2066 (2004)

IPC v.G&T Terminal Packaging, Inc. (D.Idaho 2003)

IPC obtained a preliminary injunction and a court order to obtain certain computer records.

G&T did not preserve records of its sales and purchases of Idaho potatoes, did not maintain a general ledger with such information, and deleted such information as part of its business practices.

G&T ordered 1,250,000 five-pound bags with the "Idaho®" registered mark after its license expired. IPC was awarded \$100,000 in statutory damages, based upon the 7.5¢/bag premium for Idaho® potatoes.

State of Idaho Potato Commission v. G&T Terminal Packaging, Inc., 425 F.3d 708 (9th Cir. 2005)

Court reversed \$50,000 contract damages for failing to preserve records of purchase and sale of Idaho potatoes, but affirmed \$100,000 in statutory damages.

"[T]o invoke § 1117's special civil monetary remedies against counterfeiting, IPC must establish that: (1) G&T intentionally used a counterfeit mark in commerce; (2) knowing the mark was counterfeit; (3) in connection with the sale, offering for sale, or distribution of goods; and (4) its use was likely to confuse or deceive. See McCarthy § 25:15" 425 F.3d at 721.

"[T]he mark used by G&T was counterfeit if: (1) it was a non-genuine mark identical to IPC's mark; (2) IPC's mark was registered on the Principal Register for use on the same goods to which G&T applied the mark; (3) IPC's mark was in use; and (4) G&T was not authorized to use IPC's mark on potatoes." 425 F.3d at 721.

"[M]any cases have found a likelihood of confusion when a trademark owner was prevented from exercising quality control over the merchandise bearing its mark." 425 F.3d at 721.

"[M]any courts have held that an ex-licensee's continued use of a trademark is enough to establish likelihood of confusion." *Id*.

"In the certification mark context, the mark holder's ability to institute quality controls seems vital if a mark is to serve its purpose. By licensing a party to use the 'Idaho' mark, IPC certifies that the party's potatoes meet the standards the mark represents." *Id*.

"G&T asserts that its potatoes did meet IPC's quality control standards because G&T procured its potatoes from licensed distributors. It stipulated, however, that it did not keep all of the records that it was required to keep under IPC rules. By depriving IPC of the opportunity to monitor and control quality, G&T created the potential for consumer confusion." 425 F.3d at 722.

"G&T's use of the certification mark implied that its potatoes had been produced and distributed in accordance with IPC's quality control procedures, and the fact that this was not the case was likely to cause consumer confusion." *Id*.

"If parties use IPC's mark without abiding by IPC's quality control provisions, as G&T did in this case, the certification mark may lose its value because goods bearing the mark do not consistently meet the standards the mark signifies. [¶] In addition, those making unauthorized use of the mark gain a market advantage by avoiding the expense of record keeping and following IPC's other rules" 425 F.3d at 722. "Because G&T's unlicensed use of IPC's certification mark was likely to cause confusion and to undermine the effectiveness of IPC's certification mark licensing regime, we hold that G&T's use constituted counterfeiting. Accordingly, we affirm the district court's award of statutory damages." Id.