

CERTIFICATION MARKS

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Although the Lanham Act specifically defines a certification mark, close examination reveals that a literal interpretation is not sufficient to distinguish clearly between the different kinds of marks in use. Many marks registered as certification marks appear to be collective marks, and many which are registered as collective marks appear to be certification marks. Further, certification marks seem to be used as a substitute for trade-marks which are registrable under the "Use by Related Companies" provision in the Lanham Act. Closer examination of the definition is necessary to understand the true purpose of a certification mark.

The Lanham Act defines a certification mark as follows:

The term "certification mark" means a mark used upon or in connection with the products or services or one or more persons other than the owner of the mark to certify regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of such goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.¹

A definition is useful only if there is an awareness and comprehension of all of the elements encompassed within the definition. Literal interpretation indicates that two elements are necessary for the classification of a mark as a certification mark: (1) the mark must certify as to the presence or absence of particular product or service characteristics, (2) the mark must be used only on the products or services of one or more persons other than the owner of the mark. Still, literal interpretation does not clearly reveal the intent of the definition. An examination of the way different marks are used is necessary to grasp the full meaning of the term "certification mark."

Basically, four marks are used in business today: (1) trade-mark, (2) service mark, (3) collective mark, and (4) certification mark. A trade-mark under normal conditions of use differs from a certification mark because it is used upon the products of the owner of the mark. However, the licensing of trade-marks prior to the Lanham Act and under the "Use by Related Companies" provision of the Lanham Act represents a departure in reasoning.² The law for many years held to the requirement that a mutuality of ownership and use is an absolute requisite to registration of a trade-mark. The Lanham Act provides for the dissolution of this responsibility on the part of the owner. Section 5 of the Act states:

1 Public Law 489 (Lanham Act; H.R. 1654), U. S. Statutes, 1946 (79th Cong., 2d sess.) (Washington: Government Printing Office), p. 19.

2 For a discussion of the licensing of trade-marks prior to the passage of the Lanham Act see: Harry D. Nims, Unfair Competition and Trade-Marks, (4th ed., New York: Baker, Voorhis & Co., Inc., 1947), I, 128-130.

Where a registered mark or a mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the registrant or applicant for registration, and such use shall not affect the validity of such mark or of its registration, provided such mark is not used in such a manner as to deceive the public.³

The Act defines a "related company" as "any person who legitimately controls or is controlled by the registrant or applicant for registration in respect to the nature and quality of goods and services in connection with which the mark is used"⁴

It is clear that if the owner of the trade-mark uses it on his own goods in addition to conferring the right of use upon a licensee, the trade-mark is still distinguishable from a certification mark; but if the owner does not use the mark on his own goods and only confers the right of use to others, the trade-mark is no longer distinguishable from a certification mark. It is possible to register a mark as a trade-mark under the "Use by Related Companies" provision regardless of whether the owner uses the mark on his own goods.⁵

Cluett Peabody and Co., Inc., owners of the trade-mark "Sanforized" license the mark to finishers for use on those fabrics which are finished under its control and direction. This particular usage satisfies the definition of a certification mark, since the mark certifies certain product characteristics and is used upon the products of one or more persons other than the owner of the mark. Yet it is registered as a trade-mark. On the other hand, the Lock-Thread Corporation owns a patent on a new type of thread used on bolts. In order that the patent owner might identify and promote the product to potential buyers, the Corporation registered the name Lock-Thread as a certification mark. The patentee licenses the patent to various producers who in turn market the product under the name "Lock-Thread." In turn, the Lock-Thread Corporation promotes the name, and also supplies

3 Public Law 489, op. cit., Sec. 5, p. 3.

4 Ibid., Sec. 45, p. 19.

5 Rudolph Callmann, The Law of Unfair Competition and Trade-Marks, (Chicago: Callaghan and Company, 1945), II, 850: "The use of a trade-mark does not necessarily and as a matter of law import that the articles upon which it is used are manufactured by its user. It may be enough that they are manufactured for him, that he controls their production, or even that they pass through his hands in the course of trade, and that he gives to them the benefit of his reputation or of his name and business style." Nims, op. cit., p. 129: "...An article need not be actually manufactured by the owner of the trade-mark, it being enough that it is manufactured under his supervision and according to his directions, thus securing both the right of the owner and the right of the public..." See also, Rudolph Callmann, "The Technical Trade-Marks of the Lanham Act," New York Law Review, XXV, No. 2, April, 1950, 303-307, and testimony by E. H. Thompson, U. S. Congress, House of Representatives, Hearings before the Subcommittee on Trade-Marks, Committee on Patents, 77th Cong., 1st Sess., on H. R. 102, H. R. 5461, and S. 895, November 4, 12, 13 and 14, 1941 (Washington: Government Printing Office, 1941), p. 98.

sales and engineering help in order to see that the parts are properly produced and used.

The question may well be asked why the mark "Sanforized" is registered as a trade-mark and the mark "Lock-Thread" is registered as a certification mark. Functionally they appear to be identical. A possible explanation is that the definition of a certification mark is concerned only with the structural characteristics of the mark, and does not completely indicate the functional requirements. The distinction between licensed use of a trade-mark and a certification mark arises out of the control exercised by the owner of the trade-mark. It is the control which creates the relationship between the user and the owner. The degree of control necessary to create a unity between user and owner "imports direct supervision over the nature and the quality of the goods and services."⁶ In contrast, a deliberate attempt is made to prevent any relationship which would unite the user and owner of a certification mark. The full intent of the condition that a certification mark be used upon the products or services of one or more persons other than the owner of the mark relates to a complete absence of any form of control which would unite the owner and user of the mark. Undoubtedly the mark "Lock-Thread" and many others have been improperly registered as certification marks.⁷

A service mark, although differing from a trade-mark, is distinguishable from a certification mark in a manner similar to a trade-mark. However, the collective mark is frequently almost impossible to distinguish from a certification mark. In 1938, the Federal Law was amended to provide that "any natural or juristic person, including nations, states, municipalities, and the like which exercises legitimate control over the use of a collective mark, may apply for and obtain registration of such mark."⁸ The control exercised merges use and ownership, and use under this provision represents a special case of licensed use of a trade-mark. Nims states: "A collective mark has no foundation in the common law; but the provision in the statute can be interpreted as a recognition of the legality of certain forms of licensed use of a trade-mark...."⁹

The Lanham Act broadens the concept of a collective mark by defining it as "a trade-mark or service mark used by members of a cooperative, an association or other collective group or organization and includes marks used to indicate membership in a union, an association or other organization."¹⁰

6 Rudolph Callmann, The Law of Unfair Competition and Trade-Marks (Chicago: Callaghan and Company, 1947), II, 1947 Cumulative Supplement, p. 36.

7 As of December 31, 1953, eleven marks used in a manner similar to the mark "Lock-Thread" were registered as certification marks.

8 15 USC Sec. 81, as amended by the Act of June 10, 1938.

9 Nims, op. cit., p. 130.

10 Public Law 489, op. cit., Sec. 34, p. 19.

A collective mark functions as a trade-mark in that it indicates origin, but it does not distinguish the goods of one manufacturer from those of others.¹¹ Under the 1938 provision, there was no need for distinction, as the control exercised created a relationship between the user and owner. Under the Lanham Act definition, control is no longer specifically stated. The collective mark, under the Lanham Act, identifies the owners of the goods or services carrying the mark with membership in an organization. As such, a collective mark is not distinguishable from a certification mark. In use a collective mark certifies as to the presence or absence of some product or service characteristic and is used on the goods or services of one or more persons other than the owner of the mark. However, by definition, collective marks are not certification marks, but rather collectively owned trade-marks or service marks. Again, a literal interpretation of the definition of a certification mark does not divulge the intent of the definition.

Debate on the provision for the registration of collective marks in the Lanham Act further indicates the vagueness of the term. The suggestion was made that the term "collective mark" be deleted from the Act on the basis that all collective marks are certification marks, and the provision for certification marks already enables an association to register its mark.¹² "The line of distinction," as Callmann says, "between the collective mark and the certification mark is sometimes too shadowy for proper classification, and, indeed, one mark may sometimes be both."¹³

An actual case will serve to illustrate the point. The Pennsylvania Grade Crude Oil Association is an association which attempts to promote the welfare of its member companies who sell Pennsylvania grade crude oil and its products. The group employs and supervises a staff of field technicians whose duty it is to see that the products of members which bear the emblem of the association meet the emblem requirement. This mark is registered under the Act of 1905, as amended by the Act of June 10, 1938, and under the Lanham Act as a collective mark. In contrast, The Journeymen Barbers, Hairdressers and Cosmetologists' International Union of America has registered two marks under the Lanham Act as certification marks. The marks are displayed on cards in the windows of member establishments.

It is clear that collective marks, as defined in the Lanham Act, originate in organizational relationships. If the mark purports to identify the users of the mark with membership in an association, then the mark is properly designated a collective mark. If the mark purports to do more than identify the users of the mark with membership in an association, the mark is a certification mark. "In principle the collective mark is a membership mark, while the certification mark is a guarantee of approval mark."¹⁴

11 See: Callmann, The Law of Unfair Competition and Trade-Marks, II, op cit., p. 855.

12 See: U. S. Congress, House of Representatives, Hearings before the Subcommittee on Trade-Marks, Committee on Patents, 77th Cong., 1st Sess., H. R. 102, H. R. 5461 and S. 895, November 4, 12, 13, and 14, 1941 (Washington: Government Printing Office, 1941), p. 93.

13 Callmann, "The Technical Trade-Marks of the Lanham Act," op. cit., p. 308.

14 Ibid., p. 308.

The distinction between the two types of marks rests in the guarantee or approval function, and this in turn would seem to stem from an interpretation of the word "certify" embodied within the definition. The intent of this word has a direct bearing on what marks may be considered certification marks. The word "certify" has a number of meanings. The one most significant for present purposes is as follows: " (4) to endorse authoritatively as being of the standard quality, preparation, etc..."¹⁵ A literal interpretation seems to imply that a certification mark must certify authoritatively to particular product or service characteristics. The meaning of the word "authority" is clear, but the word does embrace a range of varying degrees of authority. The fact that the mark must be used by one or more persons other than the owner of the mark would seem to indicate that it was the intent that one of the basic elements of an authoritative endorsement is disinterest. However, the presence of impartiality alone does not insure authoritative endorsement. The second qualification would seem to rest on what action on the part of the certifier is necessary to make the certification authoritative. Nowhere within the Act is there any indication of what action is necessary to constitute a valid certification, nor has the Trade-Mark Operation of the Patent Office formulated any rules or regulations.

An inference as to what constitutes a valid certification may be derived from an examination of the bases for cancellation of a certification mark. Section 14 (d), which states the bases for cancellation, reads as follows:

(d) at any time in the case of a certification mark on the ground that the registrant (1) does not control, or is not able legitimately to exercise control over, the use of such mark, or, (2) engages in the production or marketing of any goods or services to which the mark is applied, or (3) permits the use of such mark for other purposes than as a certification mark, or (4) 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.¹⁶

The bases for cancellation relate to organizational relationships and administrative necessities designed to insure that certification marks (1) will not be used in a manner deceptive to the public, and (2) will not be used for monopolistic purposes.¹⁷ An integral part of adequate administration to prevent public deception rests in control of the certification mark. Certainly the owner of the mark must be able to substantiate whatever the mark purports to satisfy. This position cannot be justified on the basis of any action taken by the Patent Office, but can only be inferred from the overall intent of the legislators in providing the above bases for cancellation.

15. Webster's New Collegiate Dictionary (G & C Merriam Co., 1949).

16 Public Law 489, op. cit., p. 8.

17 See: Report from the Attorney General's Office to the Chairman of the Committee on Patents, cited in U.S. Senate Hearings before a sub-committee of the Committee on Patents, 78th Cong., 2d Sess. on HR 82, November 15 and 16, 1944 (Washington: Government Printing Office, 1944), p. 64. See also: Walter J. Derenberg, Preparing for the New Trade-Mark Law (New York: Research Institute of America, 1946), Analysis 50, p. 24.

It is hoped that the above discussion indicates the difficulty of distinguishing between certification and other marks used in business today. It is clear that a certification mark must not only satisfy the structural requirements arising out of a literal interpretation of the definition, but also must be used in a manner which fulfills the intent of the definition. Although the intent of the legislators cannot be succinctly stated, it is thought that, in summary, three principles may be stated which approach the complete concept of a certification mark.

1. The mark must be used upon or in connection with the products or services of one or more persons other than the owner of the mark.
2. The mark must be so administered as to create a degree of impartiality which will insure that the mark is not used for monopolistic purposes.
3. All representations made by the mark must be substantiated to the extent that the mark in no way misleads or deceives the public.