

In Marks We Trust

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Certification and Collective Marks, Jeffrey Belson, Edward Elgar Publishing, Cheltenham 2017,

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This authoritative and well-structured book is an update of and extension to the first edition (2002) that exclusively covered certification marks. The second edition (2017) also deals with collective marks, which, due to its conflation with certification marks, is greatly welcomed. The book thoroughly analyses the different dimensions of this subject matter in clear and concise paragraphs. Belson defines certification marks as “principally indicia of conformity of goods or services to particular standards, stipulated by the proprietor of the mark,” and collective marks as “mark[s] owned by an association or ‘collectivité’ for the use of its members.” His book covers predominantly EU, UK and US statutory and case law.

The book provides the historical background for the emergence of collective marks, from medieval times to the Washington Conference of the Paris Convention of 1911 where Article 7bis was adopted, whose required registration and protection of certification marks was incorporated in Article 1(2) TRIPS, all the way to the present time. Belson also follows the genesis of certification marks, a century after the birth of the collective mark, when a study of the Max Planck Institute in 2011 recommended the introduction of an EU collective mark.¹ This became a reality when the last part of Regulation (EU) 2015/2424 of the European Parliament and the Council was

¹ Study on the Overall Functioning of the European Trade Mark System, Max Planck Institute for Intellectual Property and Competition Law Munich, 15 February 2011. “Current practise shows that there is a need for some public and private bodies which do not meet the conditions as an association eligible to create collective mark protection to offer them a system for protection of guarantee and certification signs on the Community level. It should therefore be considered to establish a Community system for certification marks which could be administered by OHIM.” p. 212, para 20.

implemented on 1 October 2017.² Certification marks were already covered in the national systems of some of the EU member states, and also in the Trademark Directive.³ In many jurisdictions, geographical indications can be either exclusively registered as collective and certification marks, or be registered as such next to the possibility of being registered as a *sui generis* geographical indications system. However, at the EU level, certification marks cannot certify geographical origins, since the EU insists on the exclusive use of its *sui generis* geographical indications system of Protected Designations of Origin (PDO) and Protected Geographical Indications (PGI). Belson is well-versed in both systems to certify geographical origins. Because the logos of PDO and PGI *per se* do not refer to a geographical origin, they cannot be protected via the EU's *sui generis* geographical indications system. He points out that therefore the EU had to rely on the more flexible trademark system: it registered the logos as certification mark in the UK and as collective marks elsewhere.

Belson describes a process of blurring between collective and certification marks, where collective marks are used to certify certain characteristics. Until October 2017, the EU regulated certification marks within its registration system for collective marks, and so did for example France and Germany. This might change.

The halo effect on certification mark proprietors

One aspect of a certification mark is that its proprietor cannot carry on a business involving the supply of goods or services of the kind certified. Despite the possible perception that these proprietors are unbiased, objective and disinterested, Belson observes two problems: the law allows certification standards to be vague, or if they are clear, to redefine the standards so that the certifier can exclude certain businesses' goods or services from using the certification mark. It is therefore imperative, according to Belson, "that trade bodies who set standards and certify goods and services act and are seen to act in ways that do not violate the laws against anticompetitive

² Regulation (EU) 2015/2424 of the European Parliament and the Council of 16 December 2015 amending Council Regulation (EC) No 207/2009 on the Community trade mark OJ L 341, 24.12.2015, p. 21–94.

³ First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, Official Journal L 040, 11.02.1989 p. 1–7. Also in the later Trade Mark Directives 2008/95/EC of 22 October 2008, and 2015/2436 of 16 December 2015 the certification mark is an option.

practices, notably [Articles] 101 and 102 of the Treaty on the Functioning of the European Union.”⁴

After providing the history of the emergence and evolution of the subject matter in Chapter 2, Belson analyses the elements of statutory protection in predominantly the EU, UK and US (Chapter 3). For ordinary trademarks in the UK, the link between quality control by the licensor and source of the good was severed since an opinion of the House of Lords in *Scandecor Developments AB v Scandecor Marketing AB and Others* in 2001.⁵ In contrast, Belson observes a consensus in the commentaries that a certification mark has a guarantee function that goods or services, in connection with which the mark is used, conform to certain standards. What if the certified goods do not conform to these standards? Chapter 4 deals with the certifiers’ liability in case of substandard quality. Belson argues that certifiers appear to enjoy a measure of immunity against product liability actions. Instead, he asserts, certifiers are providing authoritative decisions about the conformity of a product.

Chapter 5 examines the legal and commercial significance of collective marks. Belson notes that frequently businesses are able to inspect the full description of the certified characteristics before they purchase sophisticated technical products, but that such is not suitable to or inconvenient for consumers purchasing consumer products. Belson: “If consumer confidence in the certification of goods is to be encouraged, then increased transparency of certification, through addition of descriptive words, should be encouraged.” The Chapter discusses co-branding and touches upon the mandatory assessment programmes in the US, on commodity producers and processors, which are used to fund programmes to increase the demand in the commodity. These so called ‘checkoffs’ have been opposed as unconstitutional because of alleged compelled speech and compelled association. The compelled speech argument was not successful in case the advertisement was part of a bigger programme to increase demand or if it was considered government speech. The compelled association argument did not yet make it to the Supreme Court of the US.

Chapter 6 deals with regulations and standards, including the WTO/GATT Agreement on Technical Barriers to Trade (TBT). This agreement provides a framework of basic rules, guidelines, standards and conformity assessment procedures. The Chapter touches on the WTO relations with

⁴ Consolidated version of the Treaty on the Functioning of the European Union, Official Journal C 326, 26.10.2012, p. 47–390

⁵ *Scandecor Developments AB v Scandecor Marketing AB and Others* (2001) UKHL 21; (2001) E.T.M.R. 74; (2001) F.S.R 22.

Non-Governmental Organizations that also set standards. The Chapter further examines the EU framework and its product conformity system, including the ‘New Approach’⁶ to remedy non-harmonized technical regulations, which amounted to a lack of mutual recognition of conformity assessment among the Member States, based on the principles of minimum essential requirements for product conformity and EU Member States’ obligatory mutual recognition of conformity assessment. Finally this Chapter also examines the standard-setting by individual companies and consortia with the principles of Fair Reasonable and Non-discriminatory (FRAND) licensing.

Chapter 7 singles out an emerging certification mark that gains popularity: the ecolabel. These signs, symbols and seals on goods or services show that these satisfy to certain environmentally beneficial or less harmful standards. The Chapter provides the ecolabels’ legal definitions, typology, ownership and governance, intellectual property rights, and environmental claims and potential influence on international trade. Belson demonstrates that ecolabels are often problematic, since the perception of their environmental protection and sustainability varies. He also discusses the issue of regulatory measures based on the processes or production methods: *i.e.* should products be treated differently if they have been produced differently, but where one cannot determine this in the end products.

Finally, Chapter 8 examines another specific certification mark: the certification of the authenticity of digital products. Belson points out that certification marks seem not adapted for certification of the authenticity of digital content. The chapter then focuses on full legal recognition to digital signatures, treaty-based EU and US laws that outlaw unauthorized circumvention of access control and copyright protection devices, trafficking in devices that facilitate circumvention and interference with rights management information.

From Schechter to Scandecor

In 1927, Schechter wrote about a shift in the function of the trademark: from a source of a particular origin with a personal guarantee of satisfaction to an anonymous source and impersonal guaranty.⁷

⁶ The EU catchphrase ‘New Approach’ legislation is also known as ‘New Legislative Framework’. Important building blocks of this framework are: Regulation (EC) 765/2008 setting out the requirements for accreditation and the market surveillance of products, OJ L 218, 13.8.2008, p. 30–47; Decision 768/2008 on a common framework for the marketing of products, which includes reference provisions to be incorporated whenever product legislation is revised. In effect, it is a template for future product harmonisation legislation, OJ L 218, 13.8.2008, p. 82–128; Regulation (EC) 764/2008 laying down procedures relating to the application of certain national technical rules to products lawfully marketed in another EU country, OJ L 218, 13.8.2008, p. 21–29.

⁷ Frank Schechter, *The Rational Basis of Trademark Protection*, 40 Harvard Law Review 6 (April 1927), p. 819.

Extrapolating this trend post *Scandecor*,⁸ the function of traditional trademarks seems to have often become a constant source for some consistent level of quality of satisfaction. Paradoxically, in a world that is becoming more transparent, consumers of goods or services with traditional trademarks are mostly kept in the dark in regard to the specific quality levels or standards of products or services. The *raison d'être* of certification and collective marks is precisely that they can help manifest these quality levels and characteristics to purchasers. *A fortiori* with experience goods, whereby one has to first purchase a good, before one can experience its quality, these ‘trust marks’ can play an important role.

Practitioners and scholars will enjoy this book.

⁸ *Supra* footnote 5.