



When green means no

Michael Tschupp from Espinosa Trueba describes the challenges unique to branding cleantech products

Despite economic woes, the US market is demanding environmentally responsible goods and services with unprecedented enthusiasm. While US commitment to a sustainable lifestyle has historically waxed and waned with fluctuating oil prices, the current commitment to renewable energy, recycled and reused materials, low or zero emission vehicles, energy efficient devices and other forms of "cleantech" appears to be deeper and more durable than what has been seen before.

There are several causes for this difference, including growing consensus on environmental threats, new technologies making cleantech more effective and cheaper, a geopolitical climate that makes petroleum from OPEC nations less desirable, and the perception that petroleum reserves will be exhausted in a matter of a few generations.

However, these are not the primary reasons why US's current green experience is different. While some will modify their behaviour in the interest of the first two "Ps" – people and planet – a third "P" – profit – is needed to make lasting changes. Consumers are awakening to the fact that going green is less wasteful and can save money. Suppliers are awakening to the fact that there is money to be had in supplying the public demand for green products and services. Because of this, US is no longer in a cycle of alternate green fads and green fatigue, but poised on the brink of a green industrial revolution.

This effect is measurable. As far back as 2008, the US green market has been estimated at more than \$500¹. In a recent survey of US consumers, 73% responded that it is important to buy from green companies, and 54% are willing to pay a price premium for green products².

Green trademarks can be incredibly valuable assets in the US market. However, businesses and the trademark practitioners that advise must also be aware of the particular challenges and risks that green branding entails.

Are green marks too descriptive to protect?

Under US law, a trademark is only registrable and entitled to protection to the extent that it

is distinctive³. In order to evaluate their strength and protectability, trademarks are put into four categories, listed in order of increasing distinctiveness and strength: generic, descriptive, suggestive, and arbitrary/fanciful⁴.

Generic terms are terms that the relevant purchasing public understands primarily as the common or class name for the goods or services⁵. For example, CAR for automobiles or COMPUTER for computers would both be generic marks. These terms are not distinctive and are incapable of functioning as registrable trademarks denoting source, and are not registrable on either the Principal Register or on the Supplemental Register, regardless of their public recognition.

A mark is considered merely descriptive if it describes an ingredient, quality, characteristic, function, feature, purpose, or use of the specified goods or services⁶. For example, FUEL-EFFICIENT HYBRID CAR would be a descriptive mark as applied to an automobile, which can be driven many miles per a given quantity of fuel. The mark need not describe all the goods and services identified, as long as it merely describes one of them⁷. If only a portion of a mark is merely descriptive, registration for the whole may be obtained by disclaiming exclusive rights to the descriptive terms⁸. If the entire mark is descriptive, registration on the Principal Register may only be obtained if the applicant demonstrates that the mark has acquired distinctiveness with the public⁹. In the alternative, the mark can be registered on the Supplemental register, however, this is much less desirable as these registrations lack the primary benefits of trademark registration, including the presumption of exclusivity throughout the US, the availability of incontestable status after five years or registration, as well as eligibility for statutory damages in cases of counterfeiting¹⁰.

Suggestive marks are those that, when applied to the goods or services at issue, require imagination, thought, or perception to reach a

conclusion as to the nature of those goods or services¹¹. Thus, a suggestive term differs from a descriptive term, which immediately tells something about the goods or services. Examples of suggestive marks include JAGUAR[®] for automobiles, which implies that car has the animal's attributes of speed and power, or COPPERTONE[®] for sunscreen, which implies the sort of suntan one can obtain from using the product. Suggestive marks are inherently distinctive and capable of protection, although not as strong as arbitrary/fanciful marks.

Arbitrary marks comprise words that are in common linguistic use but, when used to identify particular goods or services, do not suggest or describe a significant ingredient, quality, or characteristic of the goods or services, for example APPLE[®] for computers.¹² Fanciful marks comprise terms that have been invented for the sole purpose of functioning as a trademark or service mark (eg, PEPSI[®], KODAK[®], and EXXON[®]).¹³ Either category is considered inherently distinctive, capable of protection, and very strong¹⁴.



Green suppliers tend to draw from a common lexicon of terms when it comes to branding, with perhaps the most common term being the word GREEN. As late as 2008, it was not at all uncommon to see the United States Patent & Trademark Office (USPTO) allow and register trademarks containing the term GREEN without requiring a disclaimer, even where it was clear from the mark as a whole, or from the classification of goods and services, that the mark was to be applied to an environmentally-friendly product.

That all changed starting in 2009, with a series of cases from the USPTO's Trademark Trial and Appeal

“Green brand owners took this ruling, and correctly so, as a warning that trademarks containing the word green would face obstacles at the USPTO.”

Board (“TTAB”), an administrative court that handles appeals of refused application, as well as adversarial proceedings in opposition to the registration of a pending mark or cancellation of an already-registered mark. In the first of these cases, *In re Bargoose Home Textiles, Inc.*¹⁵, the applicant sought to register the trademark ALLERGYGREEN for “protective bedding, namely zippered and fitted covers for mattresses, comforters; bed sheets and waterproof mattress pads; reusable bed pads.” The examiner refused

the mark as merely descriptive, reasoning that ALLERGY referred to hypoallergenic qualities and that GREEN connoted environmental benefits. Relying on dictionary definitions of the terms in the mark, and internet evidence of GREEN being used as an adjective to describe bedding products, the TTAB affirmed the refusal. The TTAB exercised its power, as it did with the other cases discussed below, to make this ruling non-precedential. However, the TTAB's non-precedential opinions still guide examiners in their handling of their applications. As a result, green brand owners took this ruling, and correctly so, as a warning that trademarks containing the word green would face obstacles at the USPTO. It became commonplace for examiners to require disclaimers of the term GREEN in pending applications, and to refuse outright marks that did not have some remaining distinctive matter.

Green brand owners' fears were magnified later that same year when the TTAB issued its ruling in *In re Cenveo Corp.*¹⁶ The mark at issue in this case was the graphic mark:



and its literal element, GREEN-KEY, in connection with “paperboard keycards made of environmentally friendly materials”. The stakes were much higher in this case than in *Bargoose*, because the examiner had determined that this mark was not even descriptive, but in fact generic, and therefore incapable of even acquiring the distinctiveness needed to someday earn protection. The TTAB, again citing dictionary evidence as to the meaning of “green”, as well as the use of the term by third-parties, affirmed. The severity of this ruling was puzzling, given that green is, at worst, a product attribute and not a genus of products. Therefore, it would seem that even if it might be argued that “green” is a descriptive term in certain circumstances, it should not be considered to be generic.

The TTAB has pulled back from the hard line of *Cenveo* somewhat in recent decisions. In *In re Calera Corp.*¹⁷, it held the mark GREEN CEMENT to be descriptive, but not generic, of a variety of construction materials. However, while green brand owners took heart at the apparent retreat from “genericness”, the TTAB include the following chilling words in its holding:

The term GREEN indicates that the product is environmentally beneficial. There simply can be no dispute that the term green, ubiquitously used as

an adjective with any good or service, will be perceived as an indicator that the good or service is environmentally friendly.

The only subsequent decision on point has followed in *Calera's* footsteps and have continued to refuse registration of GREEN as a trademark, but have not gone as far as *Cenveo* and held the marks generic. In *UPS v Powertech Industrial Co Ltd*¹⁸, the board refused registration of the mark HYBRID GREEN UPS for dual-source uninterruptible power supplies, although the resolution of this case was made easier by the fact that the applicant used the term GREEN in the descriptive sense in its own marketing materials. Yet another case is now pending and is awaiting a ruling, *In re Letco Group, LLC*¹⁹, regarding the mark LIVING EARTH for soil. One of the issues at stake here is whether EARTH refers descriptively to soil or is suggestive of environmental friendliness, although in that case the applicant would be benefited, rather than harmed, by the environmental connotation in its effort to secure registration.

What is, or is not, environmentally friendly, has no precise definition under US law²⁰. However, it is clear that the USPTO feels comfortable that it knows a descriptive use of GREEN when it sees it, particularly where the applicant has made an admission in its classification or in its marketing materials. Although the reasoning of *Calera* and the other cases in the line has yet to be made precedential or applied to other environmental terms besides GREEN, this is likely to occur in the near future. In addition, Federal court trademark litigation on this issue is inevitable. Green businesses should therefore craft brands that will pass muster under the new stricter standard, by employing terms that go beyond commonly-used environmental terms, in order to avoid outright refusals and to ensure that some protectable portion of the mark remains in the event that descriptive terms must be disclaimed.

Are green marks a crowded field?

Under US law, where similar marks permeate the marketplace, the strength of each mark decreases²¹. In a crowded field of similar marks, each member of the crowd is relatively weak in its ability to prevent use by others in the crowd²². As stated earlier, green marketers tend to draw from a common, limited vocabulary in crafting their brands. A search of the USPTO's online database reveals over 10,000 live marks containing the term GREEN, approximately 3,000 each containing the terms ECO-, EART, and ENVIRO-, over 2,000 containing the word

PLANET, and almost 1,000 containing the term SUSTAIN-. The field of environmental imagery is similarly crowded, and logos are subject to the same issues as their verbal equivalents.²³ There are about 40,000 live marks containing a representation of the Earth, 30,000 with a tree, 25,000 with the sun, 15,000 with leaves, 10,000 with water droplets, even 1,500 depicting solar panels and 500 containing a recycling symbol.

For innovators, the herd of late-comers dilutes the strength of the mark. For the late-comers, a crowded field is a mixed bag. Although they are less likely to be held to infringe similar marks if there are multiple other users, their own ability to protect their brand from others is diminished. As before, green businesses will be best served in this environment by thinking outside the box and craft green brands that communicate an environmental message without using overused terms.

Green certifications and greenwashing

US trademark law recognises and provides for the registration of certification marks. A certification mark must be used by a person other than its owner, who must have a bona fide intention to permit a person other than the owner to use the mark in commerce²⁴. Certification marks are subject to the same requirements as trademarks and service marks, but applications for certification marks must also include a statement of the qualities being certified and submit a copy of the standards applied in awarding the certification²⁵. There has been a proliferation of green certification marks in lockstep with the growth in the number of green trademarks and service marks.

Certification marks present a strong opportunity for green businesses. In a recent survey, respondents were asked how they decide whether a product is truly green. By far, the most frequently-given response (45%) was "I look for a specific certification mark"²⁶. However, not all certification marks are equal. Some have very rigorous standards, while others are relatively lax. Some are very well-known and respected, while others are dubious upstarts. Green businesses should earn and display green certifications, but should first engage in due diligence to ascertain the value of a particular certification. Green certifiers should protect and register their certifications, and enforce their standards rigorously.

In addition, green claims in advertising should be carefully reviewed for accuracy and candor. Although it had lain dormant on the issue for many years, the Federal Trade Commission ("FTC") has recently become very active in pursuing "greenwashers", those who employ false or misleading environmental advertising claims. Recent targets of FTC action

"Green businesses will be best served in this environment by thinking outside the box and craft green brands that communicate an environmental message without using overused terms."

have been claims of \$1,000 hybrid car conversion kits,²⁷ rayon sold as "bamboo" fibre²⁸ and unsubstantiated claims of the biodegradability of paper products²⁹. Class action litigations are also being brought by consumers against an alleged false certification mark³⁰ and a green water drop seal affixed to bottled water³¹. The FTC is currently in the process of revising its Guides for the Use of Environmental Marketing Claims, known as the Green Guides, which are expected to be finalised soon³². This document provides strong guidance as to what constitutes an appropriate environmental advertising claim. Green marketers need to stay abreast of developments in this area, and all environmental advertising claims should be thoroughly vetted for compliance with applicable standards. Failure to do so could create exposure to significant liability.

Footnotes

1. Environmental Leader. Consumer Spending On Green Will Double, Reach \$500 Billion In 2008. 28 September 2007. <http://www.environmentalleader.com/2007/09/28/consumer-spending-on-green-will-double-reach-500-billion-in-2008/>.
2. "Green Brands, Global Insights 2001." <http://www.slideshare.net/WPPGreenBrandsSurvey/gb-us-media-deck-07-june2011v2>.
3. See 15 USC § 1052.
4. See *Two Pesos v Taco Cabana*, 505 US 763, 768 (1992).
5. See *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 1344(Fed Cir 2001); *In re American Fertility Society*, 188 F.3d 1341, 1346 (Fed Cir 1999).
6. See *In re Gyulay*, 820 F.2d 1216 (Fed Cir 1987).
7. See *In re Stereotaxis Inc.*, 429 F.3d 1039, 1041 (Fed Cir 2005).
8. See id.
9. See 15 USC § 1052(f).
10. See 15 USC §§ 1065, 1115, 1116(d), and 1117.
11. See *In re George Weston Ltd.*, 228 USPQ 57 (TTAB 1985).
12. See, eg, *Palm Bay Imports, Inc v Veuve Clicquot*

- Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 1372, (Fed Cir 2005); *Nautilus Group, Inc v Icon Health & Fitness, Inc.*, 372 F.3d 1330, 1340, (Fed Cir 2004).
13. See *Abercrombie & Fitch Co v Hunting World, Inc.*, 537 F.2d 4, 17 (2d. Cir 1976)
14. See id.
15. 2009 TTAB LEXIS 408 (TTAB May 27, 2009) (non-precedential).
16. 2009 TTAB LEXIS 615 (TTAB September 30, 2009).
17. 2010 TTAB LEXIS __ (TTAB March 24, 2010).
18. 2011 TTAB LEXIS 35 (TTAB January 31, 2011).
19. Ser. No. 77541687.
20. Maureen Beacom Gorman, *What Does It Mean To Be Green: A Short Analysis of Emerging IP Issues in "Green" Marketing*, 9 J. MARSHALL REV. INTELL. PROP. L. 774, 791 & 795 (2010) (citing Congressional testimony before the House Subcommittee on Energy and Commerce, 111th Cong. 10 (2009)).
21. See *One Indus, LLC v Jim O'Neal Distrib.*, 578 F.3d 1154, 1164 (9th Cir 2009).
22. *Miss World (UK) Ltd v Mrs Am Pageants, Inc.*, 856 F.2d 1445, 1449 (9th Cir. 1988).
23. *Thistle Class Ass'n v Douglass & McLeod, Inc.*, 198 USPQ 504 (TTAB 1978).
24. See 15 USC §§ 1054 and 1127.
25. See 37 CFR §2.45.
26. "Green Brands, Global Insights 2001." <http://www.slideshare.net/WPPGreenBrandsSurvey/gb-us-media-deck-07-june2011v2>.
27. *FTC v Dutchman Enterprises, LLC, et al*, Case No. 09-cv-141 (D. N.J. 2009).
28. *In re Sami Designs, LLC* (FTC 2009).
29. *In re K-mart Corp* (FTC 2009).
30. *Koh v S.C. Johnson & Son, Inc.*, Case No 09-CV-92& (N.D. Cal).
31. *Hill v Roll International Corp.*, CGC-09-487547 (S.F. Sup. Ct. 2010).
32. FTC Green Guides Review http://www.ftc.gov/bcp/edu/microsites/energy/about_guides.shtml.

Author



Michael Tschupp is an attorney with the intellectual property firm of Espinosa Trueba, PL, in Miami, Florida and an accredited LEED Green Associate. He authors Sustainable Marks (<http://sustainablemarks.com>), a law blog that discusses green intellectual property issues, branding, and advertising issues.