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WHAT DOES IT MEAN TO BE GREEN: A SHORT ANALYSIS OF EMERGING IP ISSUES IN “GREEN” MARKETING

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ABSTRACT

Green products are red hot, but defining what “green” means is difficult. Consumers are faced with an array of labels denoting products as “green,” making it difficult to determine which are truly “green” and which are “green-washed.” The Trademark Trial and Appeal Board recently determined that the term “green” is generic, meaning anything “environmentally friendly.” The FTC has been criticized for causing consumer confusion over its failure to enforce its “Green Guides” governing environmental product claims and certifications. These “Green Guides,” which do not define “green,” were first promulgated by the FTC in 1992, but have not been updated since 1998. In the face of this criticism, the FTC has sought comment with the aim of amending the “Green Guides” to adapt to the fast growing “green” marketplace. While the FTC has exercised a leading role in addressing environmental product claims, intellectual property enforcement and environmental policy must be coordinated. The Intellectual Property Enforcement Coordinator must facilitate this coordination of “green” IP enforcement by consulting non-traditional IP entities such as the EPA and members of the private “green” industry to develop a consensus about what it means to be “green.”

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WHAT DOES IT MEAN TO BE GREEN: A SHORT ANALYSIS OF EMERGING IP ISSUES IN “GREEN” MARKETING

MAUREEN BEACOM GORMAN*

INTRODUCTION

“In the long term, economic sustainability depends on ecological sustainability.”¹

Green is red hot. From “‘miracle’ devices advertised to dramatically increase gas mileage in ordinary cars,”² to inflated “claims of insulation’s R-value (the measure of resistance to heat flow),”³ from claims of “no phthalates”⁴ to vague claims of “natural” and “green,”⁵ “green” marketing has mushroomed since 2007.⁶ Business leaders, government agencies, consumer interest groups, environmental organizations, and the academic community are vitally interested in what it means to be “green.”⁷

Defining “green” is not easy. The new director of the United States Patent and Trademark Office (“USPTO”) recently instituted a pilot program to expedite examination of patent applications for “green” technology, suggesting that “green” applications are those “pertaining to environmental quality, energy conservation, development of renewable energy, or greenhouse gas emission reduction.”⁸ The Trademark Trial and Appeal Board (“TTAB” or the “Board”) has restricted claims of exclusive trademark ownership of the term “green” based upon the notion that

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¹ PEW OCEANS COMMISSION, AMERICA’S LIVING OCEANS: CHARTING A COURSE FOR SEA CHANGE ix–x (2003), available at http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Protecting_ocean_life/env_pew_oceans_final_report.pdf.

² *It’s Too Easy Being Green: Defining Fair Green Marketing Principles before the H. Subcomm. On Commerce, Trade & Consumer Protection of the H. Comm. on Energy & Commerce*, 111th Cong. 10 (2009) (statement of James A. Kohm, Associate Director of the Enforcement Division in the Bureau of Consumer Protection at the Federal Trade Comm’n) [hereinafter Kohm Statement], available at <http://www.ftc.gov/os/2009/06/P954501greenmarketing.pdf>.

³ *It’s Too Easy Being Green: Defining Fair Green Marketing Principles before the H. Subcomm. On Commerce, Trade & Consumer Protection of the H. Comm. on Energy & Commerce*, 111th Cong. 10 (2009) (statement of the Federal Trade Comm’n) [hereinafter FTC Statement], available at <http://www.ftc.gov/os/2009/06/P954501greenmarketing.pdf>.

⁴ *It’s Too Easy Being Green: Defining Fair Green Marketing Principles before the H. Subcomm. On Commerce, Trade & Consumer Protection of the H. Comm. on Energy & Commerce*, 111th Cong. 10 (2009) [hereinafter *Hearing: It’s Too Easy Being Green*] (testimony of Urgashi Rangan, Consumer’s Union). The word phthalate is derived from the word naphthalene which is, “a white crystalline aromatic substance produced by the distillation of coal tar and used in mothballs and the manufacture of dyes, etc.” THE OXFORD AMERICAN DICTIONARY & LANGUAGE GUIDE 656, 748 (Oxford Univ. Press 1999) (1996).

⁵ *Hearing: It’s Too Easy Being Green*, *supra* note 4, at 1 (testimony of Urgashi Rangan, Consumer’s Union).

⁶ Kohm Statement, *supra* note 2, at 1.

⁷ See *id.* at 4.

⁸ Pilot Program for Greenhouse Technologies Including Greenhouse Gas Reduction, 74 Fed. Reg. 64,666 (Dec. 8, 2009).

“green” means anything “environmentally friendly.”⁹ The Federal Trade Commission (“FTC” or the “Commission”) has undertaken analysis of its environmental claims guidelines for the first time since 1998 in an effort to define what it means to be “green.”¹⁰ It also, for the first time in ten years, has taken action against deceptive environmental claims where the claimant lacked substantiation, suggesting that “green” is “green” only if a legitimate third party certifier says it is so.¹¹

The activity of these agencies has stirred controversy. Though several bona fide certification programs exist that appear to further the interests of the environment, such as the one associated with the Chicago Climate Exchange (“CCX”),¹² the FTC’s handling of deceptive certification programs¹³ used to “greenwash”¹⁴ products and services has come under the scrutiny of a House of Representatives’ oversight subcommittee.¹⁵ Business method patents if invalidated would undermine the CCX and the cap-and-trade system for reducing greenhouse gas emissions.¹⁶

Numerous parties have a stake in what it means to be “green.”¹⁷ To establish consensus about what “green” means among such parties is vital to the development of “green” initiatives and will require coordination of agencies and private interests. The Intellectual Property Enforcement Coordinator (“IPEC” or “IP Czar”), a new position within the Executive Branch established under the Prioritizing Resources

⁹ Donna A. Tobin, *Environmental Marketing Claims: What to Know Before Waiving the “Green” Flag*, BLOOMBERG INTELL. PROP. L. REP., Oct. 12, 2009, at 5, available at <http://www.bakerlaw.com/files/Uploads/Documents/News/Articles/INTELLECTUAL%20PROPERTY/Bloomberg%20-%20Tobin%20-%202009.pdf>.

¹⁰ See, e.g., Ronald Zdrojeski & Peter Knight, *Filling the Void: Agencies Don’t Wait for Federal Legislation to Respond to Climate Change*, in WORKING WITH GOVERNMENT AGENCIES IN CLIMATE CHANGE LAW LEADING LAWYERS ON COMMUNICATING WITH GOVERNMENT OFFICIALS, UNDERSTANDING LEGAL CHALLENGES, AND NAVIGATING RECENT AND UPCOMING CLIMATE CHANGE REGULATIONS (INSIDE THE MINDS), ch.4 at 6 (Aspatore 2009), available at 2009 WL 1342288; see also Kohm Statement, *supra* note 2, at 3 (stating that the FTC is currently reviewing its Green Guides).

¹¹ See discussion *infra* Section II.

¹² Press Release, Chicago Climate Exchange, Managed Forest Carbon Emission Offsets (Sept. 18 2008) (on file with The John Marshall Review of Intellectual Property Law), available at http://www.chicagoclimatex.com/docs/offsets/CCX_Managed_Forest_Carbon_Offsets.pdf. CCX is the first cap-and-trade system in the world, allowing trading of carbon offsets verified by CCX-Approved verifiers. *Id.*

¹³ See discussion *infra* Section II.

¹⁴ *Hearing: It’s Too Easy Being Green*, *supra* note 4 (testimony of M. Scot Case, Vice President of TerraChoice & Executive Director of EcoLogo Program) (defining greenwash as “blatant misrepresentation of environmental claims [or] telling only partial truths about a product’s environmental impacts.”).

¹⁵ See generally *Hearing: It’s Too Easy Being Green*, *supra* note 4 (discussing the need for regulations to govern the use of green certification marks).

¹⁶ Paul R. Gupta & Stephanie Carpenbter, *IP Aspects of Green Technology & Strategies for Building & Investing in Green Technology Companies*, in GREEN TECHNOLOGY LAW & BUSINESS 2009: STRATEGIES FOR FINANCE, CARBON TRADING, IT, AND CARBON NEUTRAL POLICIES, at 18–21 (PLI Corp. L. & Practice Handbook Series No. 18722), available at WL 1718 PLI/Corp 11; see also Barack Obama & Joe Biden: Promoting a Healthy Environment, <http://www.barackobama.com/pdf/issues/EnvironmentFactSheet.pdf>. On climate change, “Barack Obama and Joe Biden support implementation of a market-based cap-and-trade system to reduce carbon emissions by the amount scientists say is necessary: 80 percent below 1990 levels by 2050.” *Id.*

¹⁷ See discussion *infra* Section III.

and Organization for Intellectual Property Act of 2008,¹⁸ appears to have the statutory ability to undertake such coordination,¹⁹ but success will depend upon the inclusion of Environmental Protection Agency (“EPA”) and members of the private “green” industry in the coordination process.²⁰

I. LEVELING THE PLAYING FIELD: GREEN IS GENERIC.

“We should look at the environment as an economic opportunity.”²¹

In 2009, the TTAB progressively restricted exclusive ownership of environmental marks. Three cases, each concerning marks incorporating the term “green” as an element, exemplify the Board’s approach to such marks.²² In the space of one year, the term “green” went from being suggestive to merely descriptive to generic.²³ The Board’s shift from suggestive to generic was not only a function of the relevant facts in each case, but also a result of the Board’s recognition that environmental terms must be available for public use given the tremendous demand for environmentally friendly products and services.²⁴

The applicant in the first case, *In re Jones Investment Company*, sought to register the mark GREEN INDIGO for “bottoms; [and] tops.”²⁵ The examining attorney refused the application pursuant to Section 2(e)(1) of the Trademark Act,²⁶ finding the mark merely descriptive of the applicant’s goods.²⁷ The examiner based his descriptiveness refusal upon the observation that “green” and “indigo” are common colors of clothing and that they merely describe the colors of the clothing that applicant seeks to sell.²⁸

The applicant countered that GREEN INDIGO is an “incongruous combination of colors to signal to consumers to look beyond their meanings as primary colors alone.”²⁹ The applicant proposed that the mark was “suggestive” of “‘a fresh, youthful and environmentally friendly’ jeans wear line,” and that the mark “plays upon its

¹⁸ Prioritizing Resources and Organization of Intellectual Property Act of 2008, 122 Stat. 4256 (2008) (codified as amended at 15 U.S.C. § 8111(a) (2008)).

¹⁹ 15 U.S.C. § 8111(b).

²⁰ See discussion *infra* Section III.

²¹ Protect the Environment - Meg Whitman for Governor, <http://www.megwhitman.com/story/8/protect-the-environment.html> (last visited Mar. 13, 2010).

²² *In re Cenveo Corp.*, Application No. 77289355, 2009 WL 4086560, at *1 (T.T.A.B. Sept. 30, 2009); *In re Bargoose Home Textiles Inc.*, Application No. 77255007, 2009 WL 1719383, at *1 (T.T.A.B. May 27, 2009); *In re Jones Investment Co. Inc.*, Application No. 77249189, 2009 WL 273242, at *1 (T.T.A.B. Jan. 21, 2009).

²³ *In re Cenveo Corp.*, 2009 WL 4086560, at *4; *In re Bargoose Home Textiles Inc.*, 2009 WL 1719383, at *4; *In re Jones Investment Co.*, 2009 WL 273242, at *1–3.

²⁴ See *In re Cenveo Corp.*, 2009 WL 4086560, at *6; *In re Bargoose Home Textiles Inc.*, 2009 WL 1719383, at *5; *In re Jones Investment Co.*, 2009 WL 273242, at *3.

²⁵ *In re Jones Investment Co.*, 2009 WL 273242, at *1.

²⁶ 15 U.S.C. § 1052(e)(1) (2006); *In re Jones Investment Co.*, 2009 WL 273242, at *1.

²⁷ *In re Jones Investment Co.*, 2009 WL 273242, at *1.

²⁸ *Id.*

²⁹ *Id.* (citation omitted).

meaning as a dye made from plants to suggest an earthconscious vibe for its clothing.”³⁰

The TTAB acknowledged the meaning of “green” as both a color and also as “environmentally sound or beneficial; young; full of life and vigor; fresh.”³¹ The TTAB concluded that the term “green” and the term “indigo” were both merely descriptive for clothing.³² The Board stated, “Given the dictionary definitions of record, the individual words comprising applicant’s mark have commonly understood meanings that are merely descriptive for clothing.”³³

However, the combination of the words “green” and “indigo” in the mark GREEN INDIGO was not merely descriptive of applicant’s goods because the mark “does not convey an immediate idea about the goods with any degree of particularity.”³⁴ According to the Board:

The mark GREEN INDIGO requires imagination, thought[,] and perception to reach any conclusion as to the nature of the goods. A consumer must engage in mature thought or follow a multi-stage reasoning process to determine any specific attributes of applicant’s product: first, a consumer must connect the term ‘green’ to a color, an environmental message or youth, and then must connect ‘indigo’ to either a plant or a dye, let alone color. After making these respective connections, the consumer is then forced to make some sense out of the various meanings conveyed by the incongruous combination of the two terms.³⁵

Ultimately, the Board found:

This need to resort to imagination renders the mark only suggestive. In sum, the significance of the incongruous combination GREEN INDIGO as a whole, when considered in the context of the goods, is somewhat vague and unclear, and we find that the mark is suggestive of environmentally friendly clothing that uses natural dye extracted from indigo plants.³⁶

The TTAB’s *Jones Investment* decision came in January 2009.³⁷ In four short months the Board had the opportunity to consider the term “green” again when Bargoose Home Textiles Inc. sought to register the mark ALLERGYGREEN for “protective bedding, namely zippered and fitted covers for mattresses, comforters; bed sheets and waterproof mattress pads; reusable bed pads.”³⁸ The examiner refused the mark ALLERGYGREEN as merely descriptive of the goods under Section

³⁰ *Id.*

³¹ *Id.* at *2.

³² *See id.* at *3.

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

³⁷ *Id.* at *1.

³⁸ *In re Bargoose Home Textiles Inc.*, Application No. 77255007, 2009 WL 1719383, at *1 (T.T.A.B. May 27, 2009).

2(e)(1) of the Trademark Act.³⁹ The examiner submitted dictionary definitions for the term “green” and “allergy” as follows:

Allergy: An abnormally high sensitivity to certain substances, such as pollens, foods, or microorganisms. Common indications of allergy may include sneezing, itching, and skin rashes.

Green: adj. Beneficial to the environment: *green recycling policies*. Favoring or supporting environmentalism: *green legislators who strengthened pollution controls*. n. A supporter of a social and political movement that espouses global environmental protection, bioregionalism, social responsibility, and nonviolence.⁴⁰

The examiner also submitted evidence from various web pages and the Lexis Nexis database showing the industry-wide usage of the terms “allergy” and “green” with bedding products, in particular, the examiner submitted evidence that people who suffer from allergies find “green bedding products” desirable.⁴¹

The applicant argued that the term “allergy” defines a condition and therefore “cannot be viewed as merely descriptive of protective bedding.”⁴² The applicant also argued that the term “green” has many interpretations and that a “clear and concise definition of the term green cannot be found within the bedding industry.”⁴³ The Board found that “allergy” is used within the industry as an adjective for bedding.⁴⁴ As such, it is merely descriptive of protective bedding.⁴⁵ With regard to the term “green,” the Board stated that it agreed with the examiner in that, though the term “green” may have various interpretations within the bedding industry, all of the interpretations “describe a characteristic of the products as being environmentally friendly, whether the products are organic, or are made from renewable resources, or are recyclable.”⁴⁶

The Board therefore surmised that its only task was to determine whether the combined mark ALLERGYGREEN was merely descriptive for bedding products.⁴⁷ The Board found (1) consumers would recognize the mark as a “combination of the two words”; (2) despite applicant’s argument that the mark is incongruous because the noun “allergy” precedes the adjective “green,” the use of “allergy” before “green” is not incongruous because both “allergy” and “green” are recognized in the industry as adjectives modifying protective bedding; and (3) ALLERGYGREEN has no discernable significance as a double entendre.⁴⁸ Accordingly, the Board concluded that the mark ALLERGYGREEN was merely descriptive for bedding since

³⁹ *Id.*

⁴⁰ *Id.* at *2.

⁴¹ *Id.* at *2–3.

⁴² *Id.* at *4.

⁴³ *Id.*

⁴⁴ *Id.* at *5.

⁴⁵ *Id.* at *4.

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.* at *5.

“consumers will immediately understand that ‘ALLERGYGREEN’ describes bedding that has both an anti-allergy feature and is environmentally friendly.”⁴⁹

By fall 2009, the Board had adopted a still further restrictive position. The applicant, Cenveo Corporation, sought registration on the Supplemental Register of the color mark GREEN-KEY Stylized, where the term “green” was displayed in the color green and the term KEY was displayed in the color brown.⁵⁰ The applicant used the mark GREEN-KEY with “paperboard keycards made of environmentally friendly materials.”⁵¹ The applicant argued that the consumer does not readily understand the term GREEN-KEY to be the genus of key cards and that even if the term GREEN-KEY is generic, the colors green and brown and the stylization should allow the mark to register on the Supplemental Register.⁵²

The examiner argued that “green key” is primarily understood by the consumer as a generic name for paperboard keycards made of environmentally friendly materials and that neither the color nor stylization overcame the consumer’s primary understanding of the term.⁵³ In support of his position, the examiner submitted dictionary definitions for the terms “green” and “key.”⁵⁴ He also submitted excerpts from various web pages showing that consumers are increasingly interested in “green” products and find the “green” characteristic of a product desirable.⁵⁵ Further, he submitted excerpts from various websites showing the phrase “green key” and “green key card” used to describe environmentally friendly key card alternatives to plastic key cards.⁵⁶ Lastly, he submitted the applicant’s own website describing the applicant’s product as “an environmentally friendly alternative to the traditional plastic hotel keycard.”⁵⁷

The Board applied the Federal Circuit’s two-part genericness test set forth in *Marvin Ginn Corp. v. International Ass’n of Fire Chiefs, Inc.*⁵⁸ First, the Board identified the genus of the goods, without objection from the applicant, as “keycards made of environmentally friendly materials.”⁵⁹ Second, to determine whether the relevant public understood the mark primarily to refer to that genus (category or class) of goods or services, the Board stated, would depend upon whether the mark in question was a compound word mark or a phrase.⁶⁰ If the mark was a phrase, the Federal Circuit’s decision in *In re American Fertility Society*⁶¹ would govern.⁶² Thus,

⁴⁹ *Id.*

⁵⁰ *In re Cenveo Corp.*, Application No. 77289355, 2009 WL 4086560, at *1 (T.T.A.B. Sep 30, 2009).

⁵¹ *Id.*

⁵² *Id.*

⁵³ *Id.* at *2.

⁵⁴ *Id.* at *2–3.

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.* at *3.

⁵⁸ *Marvin Ginn Corp. v. Int’l Ass’n of Fire Chiefs, Inc.*, 782 F.2d 987, 990 (Fed. Cir. 1986) (“First, what is the genus [category or class] of goods or services at issue? Second, is the term sought to be registered or retained on the register understood by the relevant public primarily to refer to that genus of goods or services?”).

⁵⁹ *In re Cenveo Corp.*, 2009 WL 4086560, at *4.

⁶⁰ *Id.*

⁶¹ *In re Am. Fertility Society*, 188 F.3d 1341, 1348 (Fed. Cir. 1999).

⁶² *In re Cenveo Corp.*, 2009 WL 4086560, at *4.

to support a finding of genericness, the evidence must establish that the meaning of the phrase as a whole is generic.⁶³ If the mark was a compound word mark, then the Federal Circuit's decision in *In re Gould*⁶⁴ would govern.⁶⁵ Accordingly, a mark is generic when evidence establishes (1) that each word is generic and (2) that the meaning of the joined compound word mark is identical to the meaning of the words separately.⁶⁶

The Board affirmed the examiner's genericness refusal.⁶⁷ Finding that the mark GREEN-KEY was a compound word mark, the Board applied the *Gould* standard,⁶⁸ stating:

[W]e find that the terms 'green' and 'key' are generic in relation to the genus of goods identified herein, i.e., keycards made of environmentally friendly materials. We further find that the combined term 'green-key' plainly has no different meaning apart from its constituent words. That is, the words 'green' and 'key' impart no additional meaning by virtue of their having been joined into the compound term 'green-key.'⁶⁹

However, the Board went on to apply the *American Fertility* standard as well.⁷⁰ The applicant objected to the examiner's genericness refusal arguing that the examiner had not met the burden of proof for genericness.⁷¹ The applicant argued *three* articles showing the mark as a phrase used with the product is not clear evidence of generic use.⁷² The applicant's argument is well founded. The long held standard for an examiner's burden of proof in genericness refusals is set forth in *In re Merrill Lynch, Pierce, Fenner, & Smith, Inc.*,⁷³ which the Board cited in the *Cenveo* decision, but neither discussed nor seemed to follow.⁷⁴ In *Merrill Lynch*, the Federal Circuit reversed the Board's decision that CASH MANAGEMENT ACCOUNT was generic for stock brokerage services and related financial services finding that *seven* generic uses was insufficient to establish genericness.⁷⁵ In the instant decision, the Board found that even if one viewed the mark GREEN-KEY as a phrase and applied the *American Fertility* standard, the examiner's evidence – three web articles showing use of the term "green key" as the identifier of key cards composed of

⁶³ *Id.* at *5.

⁶⁴ *In re Gould Paper Corp.*, 834 F.2d 1017, 1018 (Fed. Cir. 1987).

⁶⁵ *In re Cenveo Corp.*, 2009 WL 4086560, at *4.

⁶⁶ *Id.* at *5 (citing *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 1345 (Fed. Cir. 2001)).

⁶⁷ *Id.* at *8.

⁶⁸ *Id.* at *4–6 (discussing where a term is a compound word, the director may satisfy his burden of proving it generic by producing evidence that each of the constituent words are generic).

⁶⁹ *Id.* at *6.

⁷⁰ *Id.*

⁷¹ *Id.* (discussing the rejection of the applicant's argument and the record is sufficient to establish that "green-key" is generic).

⁷² *Id.*

⁷³ *In re Merrill Lynch, Pierce, Fenner, & Smith, Inc.*, 828 F.2d 1567, 1571 (Fed. Cir. 1987).

⁷⁴ See *In re Cenveo Corp.*, 2009 WL 4086560, at *4.

⁷⁵ *In re Merrill Lynch*, 828 F.2d at 1570–71.

environmentally friendly materials -- established that GREEN-KEY as a phrase is also generic.⁷⁶

The basis of the Board's determination is fascinating. It reasoned, "[i]n view of the worldwide emergence of environmentally friendly or 'green' products, we find the evidence of record sufficient to establish that 'green key' is generic in relation to environmentally friendly key cards."⁷⁷ This statement suggests that the Board found "green" generic because "green" products and services are *beginning to appear* in the marketplace, not that they *have appeared* in the marketplace. The Board continued:

*The fact that applicant may be the only one to seek registration of the term and that the product is a relatively new offering in the environmentally friendly product field does not dictate that applicant has a right to register the term and adversely impact the right of others to use it in its clearly generic sense.*⁷⁸

Historically, genericness is based upon actual usage in the marketplace.⁷⁹ However, under the *Cenveo* decision, genericness in connection with environmental marks, it appears, is not based upon how terms *are used* in the marketplace as much as how terms *could be used* in the marketplace.⁸⁰

II. CERTIFICATION MARKS AND THE FEDERAL TRADE COMMISSION

*"Only when the last tree has been cut down,
Only when the last river has been poisoned,
Only when the last fish has been caught,
Only then will you find that money cannot be eaten."*⁸¹

The FTC is currently examining how environmental terms should be used and defined in the marketplace. Several examples of certification programs discussed below suggest that environmental terms and claims under the FTC and certification marks under trademark law intersect, specifically within the carbon offsets and

⁷⁶ *In re Cenveo Corp.*, 2009 WL 4086560, at *6. The Board stated:

Moreover, the evidence made of record by the examining attorney also establishes, even under *In re American Fertility*, *supra*, that "green key" is the name of the class of goods identified herein. In particular, the articles from the Economically Sound, Feelgood Style, and Environmental Leader websites clearly establish that a "greenkey" is an environmentally friendly keycard. Notably, the articles do not point to applicant, or any other entity, as the single source of the green keys discussed therein, and make it clear that the potential exists for use of millions of green keycards or green keys in hotels and motels across the nation, all made of various environmentally friendly materials.

Id.

⁷⁷ *Id.*

⁷⁸ *Id.* (emphasis added).

⁷⁹ *Steak n Shake Co. v. Burger King Corp.*, 323 F. Supp. 2d 983, 992 (E.D. Mo. 2004) (quoting *WSM, Inc. v. Hilton*, 724 F.2d 1320, 1327 (8th Cir. 1984)).

⁸⁰ *In re Cenveo Corp.*, 2009 WL 4086560, at *6.

⁸¹ R.L. WYSONG, *LIVING LIFE AS IF THINKING MATTERS* 234 (2008) (quoting Cree Prophecy).

renewable energy markets. The FTC's failure to enforce deceptive environmental claims within certification programs is coming under criticism for causing consumer confusion over environmental marketing terms.⁸²

Within trademark law, a certification mark "is a special creature created for a purpose uniquely different from that of an ordinary service mark or trademark"⁸³ Two characteristics differentiate certification marks from trademarks or service marks: first, the owner does not use it; and second, the mark does not distinguish source.⁸⁴ The three basic certification marks indicate: (1) "regional or other origin;" (2) "material, mode of manufacture, quality, accuracy or other characteristics of the goods or services;" or (3) "that the work or labor on the goods or services was performed by a member of a union or other organization."⁸⁵

Certification mark applications have five unique requirements: (1) statement of what the mark certifies; (2) standards; (3) exercise of control; (4) use by others indicated in dates-of-use clause; and (5) a statement that the applicant does not use the mark.⁸⁶ The standards prong requires, at the time of use, "the applicant must submit a copy of the standards that determine whether others may use the certification mark on their goods and/or in connection with their services."⁸⁷ The standards may originate with the applicant or another party, such as a government agency or a private research organization.⁸⁸

The FTC first issued its *Guides for the Use of Environmental Marketing Claims* (the "Green Guides") in 1992, and then updated them in 1996 and 1998.⁸⁹ Generally, the Green Guides represent the FTC's interpretations of Section 5 of the FTC Act as it applies to environmental advertising and marketing practices.⁹⁰ The Green Guides specifically address:

⁸² See E. Howard Barnett, *Green with Envy: The FTC, The EPA, The States, and the Regulation of Environmental Marketing*, 1 ENVTL. LAW. 491, 497–500 (1995).

⁸³ U.S. PAT. & TRADEMARK OFFICE, U.S. DEPT OF COMMERCE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1306.01 (6th ed., 2008) [hereinafter TMEP] (quoting *In re Fla. Citrus Comm'n*, 160 U.S.P.Q. (BNA) 495, 499 (T.T.A.B. 1968).

⁸⁴ TMEP, *supra* note 83, § 1306.01(a)–(b).

⁸⁵ 15 U.S.C. § 1127 (2006); Terry E. Holtzman, *Tips From the Trademark Examining Operation, Certification Marks: An Overview*, 81 TRADEMARK REP. 180, 181 (1991). The Trademark Act defines "certification mark" as follows:

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 Act, 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.

15 U.S.C. § 1127.

⁸⁶ Certification Marks, 37 C.F.R. § 2.45 (2009); TMEP, *supra* note 83, § 1306.06(f)(i)–(v).

⁸⁷ 37 C.F.R. § 2.45.

⁸⁸ TMEP, *supra* note 83, § 1306.06(f)(ii).

⁸⁹ See FEDERAL TRADE COMM'N, REPORTER RESOURCES: THE FTC'S GREEN GUIDES, available at <http://www.ftc.gov/opa/reporter/greengds.shtml>.

⁹⁰ Guides for the Use of Environmental Marketing Claims, 16 C.F.R. § 260.

[E]nvironmental claims included in labeling, advertising, promotional materials, and all other forms of marketing, whether asserted directly or by implication, through words, symbols, emblems, logos, depictions, product brand names, or through any other means, including marketing through digital or electronic means, such as the Internet or electronic mail. The guides apply to any claim about the environmental attributes of a product, package, or service in connection with the sale, offering for sale, or marketing of such product, package or service for personal, family or household use, or for commercial, institutional or industrial use.⁹¹

The FTC requires that substantiated claims are accurate within the current market so as not to deceive or mislead.⁹²

The Green Guides address both general claims, and specific claims, such as degradability.⁹³ For example, the Green Guides state that degradable claims suggest that material will break down within a reasonably short time after customary disposal.⁹⁴ Such a claim would be difficult to substantiate where the product is typically disposed of in a landfill.⁹⁵ Accordingly, the Green Guides explain:

It is deceptive to misrepresent, directly or by implication, that a product or package is degradable, biodegradable or photodegradable. An unqualified claim that a product or package is degradable, biodegradable or photodegradable should be substantiated by competent and reliable scientific evidence that the ***entire product or package will completely break down and return to nature***, i.e., decompose into elements found in nature ***within a reasonably short period of time after customary disposal***. Claims of degradability, biodegradability or photodegradability should be qualified to the extent necessary to avoid consumer deception about: (1) The product or package's ability to degrade in the environment where it is customarily disposed; and (2) The rate and extent of degradation.⁹⁶

Interestingly, even a logo or brand name can be considered an environmental "claim" under the Green Guides.⁹⁷ Environmental symbols and logos conspicuously displayed on the front of packaging labels are environmental claims that must be substantiated.⁹⁸ The FTC offers the universal recycling symbol, often called the three chasing arrows, as an example of a symbol requiring independent substantiation of its validity as applied to the products, where the symbol is used conspicuously.⁹⁹

⁹¹ *Id.* § 260.2(a).

⁹² See FEDERAL TRADE COMM'N, COMPLYING WITH THE ENVIRONMENTAL MARKETING GUIDES 3 (2008) [hereinafter FTC MARKETING GUIDES], available at <http://www.ftc.gov/bcp/edu/pubs/business/energy/bus42.pdf>.

⁹³ See 16 C.F.R. § 260.6.

⁹⁴ *Id.* § 260.7(b)(2).

⁹⁵ See *id.* ex. 1.

⁹⁶ *Id.* § 260.7(b) (emphasis added).

⁹⁷ *Id.* § 260.2(a); FTC MARKETING GUIDES, *supra* note 92, at 17.

⁹⁸ See FTC MARKETING GUIDES, *supra* note 92, at 12.

⁹⁹ *Id.* The USPTO *Design Search Code Manual* identifies the recycling symbol code as 24.17.19. U.S. PAT. & TRADEMARK OFFICE, U.S. DEP'T OF COMMERCE, DESIGN SEARCH CODE MANUAL, 24.17.19 (2007) [hereinafter DSCM], available at http://tess2.uspto.gov/tmdb/dscm/dsc_24.

The Green Guides also specifically address certification marks, stating:

environmental seals-of-approval, eco-seals and certifications from third-party organizations imply that a product is environmentally superior to other products. Because such broad claims are difficult to substantiate, seals-of-approval should be accompanied by information that explains the basis for the award. If the seal-of-approval implies that a third party has certified the product, the certifying party must be truly independent from the advertiser and must have professional expertise in the area that is being certified.¹⁰⁰

Additionally, “[t]he FTC analyzes third-party certification claims to ensure that they are substantiated and not deceptive.”¹⁰¹ The use of a “[t]hird-party certification does not insulate an advertiser from Commission scrutiny or eliminate an advertiser’s obligation to ensure for itself that the claims communicated by the certification are substantiated.”¹⁰² The FTC gives the following hypothetical as an example of what it considers appropriate certification mark usage:

Great Paper Company sells photocopy paper whose packaging has a seal-of-approval from the No Chlorine Products Association that states *totally chlorine-free paper*. An explanation under the seal-of-approval says the paper production process did not use pulp produced with chlorine or compounds containing chlorine as bleaching agents. Using the highest industry standards, the No Chlorine Products Association certifies that products are chlorine-free only after industry experts have conducted comprehensive mill audits. The claim is unlikely to be deceptive.¹⁰³

The Chicago Climate Exchange (“CCX”) is a real-life example illustrating the relationship between certification programs and environmental claims within the carbon offsets/RECs market.¹⁰⁴ Carbon offsets are certificates documenting “measurable reductions in greenhouse gas emissions accomplished through activities such as methane capturing or tree planting.”¹⁰⁵ Carbon tests serve as the basis for claims that greenhouse gas emissions are reduced.¹⁰⁶ Renewable energy certificates (“RECs”) are the certificates documenting “renewable attributes of electricity from wind, solar and other renewable energy sources and are sold separately from

htm#2417. The author conducted a search of the USPTO registers on December 16, 2009. The USPTO register shows 323 records resulting from a search of the recycling symbol design code.

¹⁰⁰ FTC MARKETING GUIDES, *supra* note 92, at 6.

¹⁰¹ *Id.*

¹⁰² *Id.*

¹⁰³ *Id.*

¹⁰⁴ See Chicago Climate Exchange, Overview, <http://www.chicagoclimatex.com/content.jsf?id=821> (last visited Feb. 16, 2010) (describing the general purpose and goals of the Chicago Climate Exchange).

¹⁰⁵ Deborah Platt Majoras, Chairman, Fed. Trade Comm’n, Remarks at FTC Workshop, Eco in the Market, Carbon Offsets & Renewable Energy Certificates 12 (Jan. 8, 2008) (transcript on file with The John Marshall Review of Intellectual Property Law).

¹⁰⁶ *Id.*

electricity produced.”¹⁰⁷ Business consumers can purchase both carbon offsets and RECs, and some “purchasers seek to obtain enough offsets to match their own emissions.”¹⁰⁸

A cap-and-trade system is an economic and governmental approach to the reduction of greenhouse gas emissions¹⁰⁹ supported by President Obama and Vice President Biden.¹¹⁰ CCX is a cap-and-trade system.¹¹¹ The Exchange issues “tradable Carbon Financial Instrument® (CFI®) contracts to owners or aggregators of eligible projects on the basis of sequestration, destruction or reduction of GHG¹¹² emissions.”¹¹³ According to CCX:

All CCX Offsets are issued on a retrospective basis, with the CFI vintage applying to the program year in which the GHG reduction took place. Projects must undergo third party verification by a CCX-Approved Verifier. All verification reports are then inspected for completeness by the Financial Industry Regulatory Authority (FINRA).¹¹⁴

Currently, CCX maintains a list of approximately 100 CCX-Approved Verifiers.¹¹⁵ The CCX-Approved Verifier program is a regulated certification program, where the validity of the certification program is the bedrock of the entire value of the CFI.¹¹⁶

Other private and unregulated certification programs exist that utilize certification marks. The Center for Resource Solutions (“CRS”) has administered the

¹⁰⁷ *Id.* at 12–13.

¹⁰⁸ *Id.* at 13.

¹⁰⁹ See generally W. David Montgomery, *Markets in Licenses & Efficient Pollution Control Programs*, 5 J. ECON. THEORY 395 (1972) (discussing the market economics and policies of what has come to be known as the “cap and trade system”).

¹¹⁰ Barack Obama & Joe Biden: Promoting a Healthy Environment, *supra* note 15. Regarding climate change, “Barack Obama and Joe Biden support implementation of a market-based cap-and-trade system to reduce carbon emissions by the amount scientists say is necessary: 80 percent below 1990 levels by 2050.” *Id.*

¹¹¹ See generally Chicago Climate Exchange, History, <http://www.chicagoclimatex.com/content.jsf?id=1> (last visited Feb. 26, 2010) (reporting that CCX began in 2000 under a grant from Joyce Foundation to Dr. Richard Sandor and Kellogg Graduate School of Management at Northwestern University “to examine whether a cap-and-trade market was feasible in the U.S. to facilitate significant greenhouse gas reductions.”). In 2003, the exchange launched with 13 charter members including DuPont, Ford, Motorola, City of Chicago, and others. *Id.* These members were the “first in the world to make legally binding commitments to reduce all six greenhouse gases, in the world’s first multinational multi-sector market for reducing and trading greenhouse gases.” *Id.* In 2005, the CCX established the first cap and trade exchange in Europe. *Id.* Soon after, the Chicago Climate Futures Exchange was also established. *Id.* The interest in CCX and its related exchanges is mounting as the marketplace suspects that the U.S. Government will mandate greenhouse gas reduction through a mandatory cap and trade system after 2013.

¹¹² Green House Gas.

¹¹³ CCX Offsets Program, <http://www.chicagoclimatex.com/content.jsf?id=23> (last visited Feb. 16, 2010).

¹¹⁴ *Id.*

¹¹⁵ CCX-Approved Offset Project Verifiers, <http://www.chicagoclimatex.com/content.jsf?id=1803> (last visited Feb. 16, 2010).

¹¹⁶ CCX Offsets Program, *supra* note 113.

Green-E certification program for over ten years.¹¹⁷ The Green-E seal certifies three product types: renewable energy certificates, renewable electricity, and utility “green” pricing programs.¹¹⁸ In 2008, CRS introduced the Green-E Climate certification program that is “a consumer protection program that applies to the offset industry.”¹¹⁹ The Green-E program defines what is eligible to be called a renewable energy product, what resources qualify, the age of the facilities, and a variety of other specifications.¹²⁰ In administration of the Green-E certification program, CRS conducts annual verification of the certified products through third party audits of the companies who participate in the program.¹²¹ It is a recognized and esteemed “green” certification program.¹²²

While certification mark filings are currently only a small percentage of applications filed with the United States Patent and Trademark Office, they are on the rise.¹²³ In 2006, applicants filed for 669 certification marks. In 2007, applicants filed for 742 certification marks. In 2008, applicants filed for 807 certification marks. In 2009, in a downturn, the Office still received 710 certification mark applications. Interestingly, certification marks incorporating the element “green” also have increased. In 2006, only 6 certification marks contained the word “green.” In 2007, the number of “green” certification mark filings jumped to 25. In 2008, the number increased to 28. In 2009, even in a downturn, the number of filings for “green” certification marks increased to 31.

It is the rise of dubious private certification programs that have caused concern about enforcement of deceptive environmental claims. In June 2009, the United States House of Representatives Subcommittee on Commerce, Trade, and Consumer Protection held an oversight hearing titled, “It’s Too Easy Being Green: Defining Fair ‘Green’ Marketing Principles.”¹²⁴ The hearing sought to examine what the FTC was doing with regard to environmental claims, specifically in regard to certification programs.¹²⁵ According to the Hearing Chairperson:

¹¹⁷ Jennifer Martin, Director of Certification and Analysis for the Center for Resource Solutions, Remarks at FTC Workshop, Eco in the Market, Carbon Offsets & Renewable Energy Certificates 181 (Jan. 8, 2008) (transcript on file with The John Marshall Review of Intellectual Property Law); *see also* Center for Resource Solutions, http://www.resource-solutions.org/progs_greene.html (last visited Feb. 16, 2010) (discussing various initiatives undertaken by CRS).

¹¹⁸ Jennifer Martin, Director of Certification and Analysis for the Center for Resource Solutions, Remarks at FTC Workshop, Eco in the Market, Carbon Offsets & Renewable Energy Certificates 182–83 (Jan. 8, 2008) (transcript on file with The John Marshall Review of Intellectual Property Law).

¹¹⁹ *Id.* at 181.

¹²⁰ *Id.* at 183.

¹²¹ *Id.*

¹²² *See generally id.* (describing the purpose and function of the Green-e Certification Program).

¹²³ On March 18, 2010, the author conducted the following base searches: (a[ic] b[ic]) and 2006????[fd] and (a[ic] b[ic]) and 2006????[fd] and *green*[bi,ti] on publicly available USPTO TESS trademark database with a modification for each year mentioned, and retrieved the referenced results. Trademark Search – TESS, <http://tess2.uspto.gov/bin/gate.exe?f=searchstr&state=4001:u5vsl.1.1> (search results on file with the John Marshall Review of Intellectual Property Law).

¹³⁰ FTC Prepared Statement, *supra* note 3.

¹²⁵ Press Release, Congressman Bobby L. Rush, Oversight Hearing: It’s Too Easy Being Green, Defining Fair Green Marketing Principles, *available at* http://www.house.gov/list/press/il01_rush/pr_090609_being_green.shtml.

More than ever before, the shelves of our supermarkets, hardware, minimarts, home improvement, and pet stores are being lined with goods [sic] bearing labels calling themselves as natural, biodegradable, ecofriendly, sustainable, recyclable, and nontoxic just to name a few. With the increased demand by these stores for more green products, we are seeing an increase in [third party] certifying companies certifying these green claims. While some responsible companies have created certifications and labels backed by testing, other companies have spied an opportunity in [the consumer] demand for information.

For a fee, these companies will certify anything as green, affording false comfort to purchasers that their products meet environmental and safety standards

. . . Because there are no common agreement [or generally accepted] definitions relating to the meaning of many of these words. And since consumers are being bombarded by so many of these claims and certifications, there is legitimate concern that some consumers are basing their purchasing decisions on misleading and in some cases even deceptive labels.

And I am especially concerned that Americans who have less disposable income to spend on “green” goods are not getting the benefits that they expect when they spend their hard-earned dollars on these goods, which promise more and also cost more at our checkout lines.¹²⁶

The Subcommittee called several witnesses¹²⁷ to testify, including M. Scot Case, Vice President of TerraChoice and the Executive Director of EcoLogo Program.¹²⁸ According to Mr. Case, “[o]ne can get anything ‘green certified’ by simply searching for the phrase ‘green certification’ online and reviewing any of the 9.9 million pages devoted to the topic.”¹²⁹ In fact, Mr. Case went on:

Some enterprising companies sell a green certification for a [flat] fee. They proudly advertise that they can certify a green product or business without reviewing the product, without visiting the business, and without requiring any testing. All one has to do is pay as little as \$150.¹³⁰

¹²⁶ *Hearing: It's Too Easy Being Green*, *supra* note 4, (opening statement of Hon. Bobby L. Rush, Chairperson of the Subcommittee).

¹²⁷ *Id.* (calling Associate Director of the Enforcement Division of the Bureau of Consumer Protection at the Federal Trade Comm'n, James A. Kohm; Urvashi Rangan, Ph.D., Director of Technical Policy at Consumers Union, the publisher of Consumer Reports; Dara O'Rourke, Ph.D., Associate Professor of University of California Berkeley and Co-Founder of GoodGuide; and Scott P. Cooper, Vice President of Government Relations for the American National Standards Institute).

¹²⁸ *Id.* (testimony of M. Scot Case, Vice President of TerraChoice & Executive Director of EcoLogo Program).

¹²⁹ *Id.*

¹³⁰ *Id.*

Going further, Mr. Case testified, “[a]ccording to one authoritative resource, there are more than 300 environmental labels used worldwide to identify more sustainable products, including 82 used throughout North America.”¹³¹

One difficulty with enforcement of dubious certification programs with unsubstantiated environmental claims is the fact that the Green Guides are guidelines only, “they are neither enforceable regulations in themselves, nor do they have the force and effect of law.”¹³² The Green Guides “provide the basis for voluntary compliance with laws by members of industry.”¹³³ Although the Green Guides are not enforceable in themselves, to the extent that claims violate Section 5 of the FTC Act,¹³⁴ they may trigger agency action. The Guides indicate that “conduct inconsistent with the positions articulated in these guides may result in corrective action by the Commission under Section 5 if, after investigation, the Commission has reason to believe that the behavior falls within the scope of conduct declared unlawful by the statute.”¹³⁵

Until this year, the FTC had not taken a single action against deceptive environmental claims in nearly 10 years.¹³⁶ Consequently, the objectives of the “*It’s too Easy Being Green*” Hearing as stated by the Hearing Chairperson were:

[F]or [Congress] to have more insight into the FTC’s update of its Green Guides, and how extensively consumers, manufacturers, and advertisers are consulting and relying on these guides.

Second, . . . to discuss whether the FTC should be more aggressive in monitoring and/or regulating the placement of claims on products and how, in the flow of commerce, can the Commission ensure that green labels are more useful and informative than is currently the case.

Thirdly . . . to explore the role of the private sector. We will ask how truly environmentally responsible and safe products can differentiate themselves from the products that make unsubstantiated claims.¹³⁷

In his testimony before the oversight committee, FTC Associate Director, James A. Kohm mentioned the FTC’s plans for revising the 17 year-old Green Guides which

¹³¹ *Id.*

¹³² Guides for the Use of Environmental Marketing Claims, 16 C.F.R. § 260.2(b) (2009): Because the guides are not legislative rules under Section 18 of the FTC Act, they are not themselves enforceable regulations, nor do they have the force and effect of law. The guides themselves do not preempt regulation of other federal agencies or of state and local bodies governing the use of environmental marketing claims. Compliance with federal, state or local law and regulations concerning such claims, however, will not necessarily preclude Commission law enforcement action under Section 5.

Id.

¹³³ *Id.* § 260.1.

¹³⁴ 15 U.S.C. § 45(a)(2) (2006).

¹³⁵ 16 C.F.R. § 260.1.

¹³⁶ Traci Watson, *Eco-Friendly Claims Go Unchecked, Enforcer Blames Lack of Resources*, USA TODAY, June 22, 2009, at A1.

¹³⁷ *Hearing: It’s Too Easy Being Green*, *supra* note 4, (opening statement of Hon. Bobby L. Rush, Chairperson of the Subcommittee).

have been in their current form for more than a decade.¹³⁸ The FTC conducted workshops in 2008 to determine whether the Green Guides remained responsive to changes in the marketplace and in consumer perceptions of environmental claims.¹³⁹ The Commission found that it needed to conduct further research of consumers' understanding of particular "green" marketing claims, such as "eco-friendly," "sustainable," and "carbon neutral" (all new concepts in the marketplace since the publication in 1998 of the most recent Green Guides), which the Commission expected to be complete in 2009.¹⁴⁰

Mr. Kohm also briefly discussed the FTC's recent enforcement actions against deceptive environmental advertising claims. In the summer of 2009, after ten years of inaction on environmental claims, the Commission instituted an investigation of environmental claims made by Kmart Corporation, Tender Corporation, and Dyna-E International for violation of Section 5 of the FTC Act by falsely advertising their paper products as "biodegradable."¹⁴¹ Kmart called its American Fare brand disposable plates "biodegradable."¹⁴² Tender Corporation called its Fresh Bath brand moist wipes "biodegradable."¹⁴³ Dyna-E International called its Lightload brand compressed dry towels "biodegradable."¹⁴⁴

In each instance, the conduct prompting the Commission's action was the prominent use of the term "biodegradable" without qualification.¹⁴⁵ The Commission alleged that the respondents' biodegradable claims were false because "a substantial majority of total municipal solid waste is disposed of by methods that do not present conditions that would allow for . . . [the products] to completely break down and return to nature, *i.e.*, decompose into elements found in nature, within a reasonably short period of time."¹⁴⁶ The Commission further alleged that the respondents failed to substantiate their claims of biodegradability.¹⁴⁷

All three defendants settled with the Commission and agreed to the entry of consent orders.¹⁴⁸ Kmart and Tender agreed to cease deceptive 'degradable' product claims and to substantiate future claims with competent and reliable evidence.

¹³⁸ Kohm Testimony, *supra* note 2, at 23–25. The author contacted the FTC in November 2009 and amended Green Guides were not expected until 2010.

¹³⁹ FTC Prepared Statement, *supra* note 3, at 4–5.

¹⁴⁰ *Id.* at 6 n.12.

¹⁴¹ Complaint, *In re Kmart Corp.*, No. C-4263, 2009 WL 2189691 (Federal Trade Comm'n, July 15, 2009) (FTC File No. 082-3186), *available at* <http://www.ftc.gov/os/caselist/0823186/090717kmartcmpt.pdf>; Complaint, *In re Tender Corp.*, No. C-4261, 2009 WL 2189692 (Federal Trade Comm'n, July 13, 2009) (FTC File No. 082-318), *available at* <http://www.ftc.gov/os/caselist/0823188/090717tendercmpt.pdf>; Complaint, *In re Dyna-E Int'l Inc.*, No. C-9336, 2009 WL 2810351 (Federal Trade Comm'n, May 20, 2009) (FTC File No. 082-3187), *available at* <http://www.ftc.gov/os/adjpro/d9336/index.shtm>.

¹⁴² Complaint ¶ 4, *In re Kmart Corp.*, 2009 WL 2189691.

¹⁴³ Complaint ¶ 4, *In re Tender Corp.*, 2009 WL 2189692.

¹⁴⁴ Complaint ¶ 5, *In re Dyna-E Int'l, Inc.*, 2009 WL 2810351.

¹⁴⁵ See Complaint ¶ 4, *In re Kmart Corp.*, 2009 WL 2189691; Complaint ¶ 4, *In re Tender Corp.*, 2009 WL 2189692; Complaint ¶ 5, *In re Dyna-E Int'l, Inc.*, 2009 WL 2810351.

¹⁴⁶ Complaint ¶ 7, *In re Kmart Corp.*, 2009 WL 2189691.

¹⁴⁷ *Id.* ¶¶ 8–11.

¹⁴⁸ See Decision & Order, *In re Kmart Corp.*, 2009 WL 2189691; Decision and Order, *In re Tender Corp.*, 2009 WL 2189692; Agreement Containing Consent Order, *In re Dyna-E Int'l, Inc.*, 2009 WL 2810351.

Tender also agreed to disclose whether any such biodegradable claim applied to the product, the packaging, or a component of both.¹⁴⁹

The Green Guides have defined “degradability” since at least 1998.¹⁵⁰ Accordingly, the behavior and actions triggering the foregoing enforcement actions seem careless. Yet, so many other environmental terms, including the overused term “green,” have gone undefined, and consequently, unenforced, as the Hearing Chairperson pointed out.¹⁵¹ Whether the FTC will define what it is to be “green” within the next revisions of the Green Guides is unknown at this time. However, whether the FTC is capable of appropriately defining “green” has come under some scrutiny.

III. CAN THE IP CZAR DEFINE “GREEN”?

“The best way to make a contribution in fashion is to promote the idea that a fundamental interest in preserving the environment is itself fashionable.”¹⁵²

An apparent consensus exists in the private industry that the government should further define what it means to be “green.”¹⁵³ It is less clear which agency should undertake the task. The FTC has certainly exercised a leading role in addressing environmental claims through its Green Guides. The USPTO has entered the discussion through its TTAB decisions and “green” patent acceleration program. To advance “green” technologies, intellectual property enforcement and environmental policies must be coordinated. The new IP Czar is a position that is ideally suited for undertaking such coordination.

According to Mr. Case of TerraChoice and the EcoLogo program, the FTC is not equipped to define “green.”¹⁵⁴ He testified that the “FTC recognizes greenwashing¹⁵⁵ is an issue that needs addressing. It has been working diligently to improve its *Environmental Marketing Guides*. . . . I remain very hopeful that FTC’s revised guide, combined with a necessary increase in funding to support enforcement of the guides, will help reduce greenwashing.”¹⁵⁶ However, Mr. Case cautioned that the

¹⁴⁹ Press Release, Federal Trade Comm’n, FTC Announces Actions Against Kmart, Tender and Dyna-E Alleging Deceptive ‘Biodegradable’ Claims (June 9, 2009), *available at* <http://www.ftc.gov/opa/2009/06/kmart.shtm>.

¹⁵⁰ See Environmental Marketing Claims, 16 C.F.R. § 260.7(b) (1996).

¹⁵¹ *Hearing: It’s Too Easy Being Green*, *supra* note 4 (opening statement of Hon. Bobby L. Rush, Chairman of the Subcommittee).

¹⁵² Organic Cotton Clothes, Ethical Fashion, http://www.green-providers.co.uk/fair_trade_and_organic_cotton_clothing_17.html (last visited Mar. 13, 2010).

¹⁵³ *Hearing: It’s Too Easy Being Green*, *supra* note 4 (opening statement of Hon. Bobby L. Rush, Chairman of the Subcommittee) (“[T]here are no common agreements or generally accepted definitions relating to the meaning of [green] . . . [he] would like for [the committee] to explore the role of the private sector.”).

¹⁵⁴ *Id.* (testimony of M. Scot Case, Vice President of TerraChoice & Executive Director of EcoLogo Program).

¹⁵⁵ *Id.* (defining greenwash as “blatant misrepresentation of environmental claims [or] telling only partial truths about a product’s environmental impacts.”).

¹⁵⁶ *Id.*

“FTC lacks the relevant environmental expertise to address the most fundamental question – how does one identify an environmentally preferable product?”¹⁵⁷

The USPTO TTAB might define “green” broadly as anything “environmentally friendly,” but it is unclear whether the USPTO’s input in defining “green” under its new director will be appropriately comprehensive. In September 2009, David J. Kappos became the new USPTO director.¹⁵⁸ In fewer than three months thereafter, on December 7, 2009, he announced the “Pilot to Accelerate Green Technology Applications.”¹⁵⁹ According to Mr. Kappos, the USPTO will expedite examination of patent applications for the following inventions that address environmental quality, renewable energy sources, conservation, or greenhouse gas emission reduction.¹⁶⁰ A “Petition to Make Special under The Green Technology Pilot Program,” permitting

¹⁵⁷ *Id.*

¹⁵⁸ Press Release, The White House, Office of the Press Secretary, President Obama Announces More Key Administration Posts, (June 18, 2009), *available at* http://www.whitehouse.gov/the_press_office/President-Obama-Announces-More-Key-Administration-Posts-6-18-09. David J. Kappos was nominated for the USPTO director position on June 18, 2009. *Id.* The press release further stated that:

Mr. Kappos is Vice President and Assistant General Counsel, Intellectual Property Law, for IBM Corporation. Based in Armonk, New York, Mr. Kappos directs IBM’s Intellectual Property Law function, providing legal counsel over all facets of protecting and licensing IBM’s intellectual property assets and leading IBM’s engagement of intellectual property law policy issues. In particular, Mr. Kappos is responsible for the management of IBM’s patent and trademark portfolios; protecting and licensing intellectual property (patents, copyrights, trademarks, knowhow and technology) worldwide; directing intellectual property law operations relating to the research, services, consulting, computer systems, storage products, semiconductor and technology development, software, marketing and other groups, divisions, and entities within IBM. In addition, Mr. Kappos has responsibility for IP policy and coordination with IBM’s litigation and corporate development groups in matters relating to intellectual property. Mr. Kappos serves on the Board of Directors of the American Intellectual Property Law Association, the Intellectual Property Owners Association, and the International Intellectual Property Society. He is also the Vice President of the Intellectual Property Owners Association. He has held various previous leadership positions in intellectual property law associations in Asia and the U.S. He has spoken widely in Asia, Europe, and the U.S. on intellectual property topics. Mr. Kappos received his Bachelor of Science Degree in Electrical and Computer Engineering from the University of California Davis in 1983, and his law degree from the University of California Berkeley in 1990. He joined IBM in 1983 as a Development Engineer and has served as an Intellectual Property Law attorney in IBM’s Storage Division and Litigation group, as IP Law Counsel in IBM Software Group, as Assistant General Counsel in IBM Asia/Pacific, IBM Corporate Counsel and as Assistant General Counsel prior to his current position.

Id. The Senate Judiciary Committee quickly approved Mr. Kappos’ nomination in August 2009, and was confirmed by the Senate on December 3, 2009. 155 CONG. REC. (daily ed. Aug. 7, 2009) (nominations confirmed).

¹⁵⁹ David Kappos, Remarks at Press Conference Announcing Pilot to Accelerate Green Technology Applications, U.S. Dept. of Commerce (Dec. 7, 2009), *available at* <http://www.uspto.gov/news/speeches/2009/2009nov07.jsp>.

¹⁶⁰ *Id.*

expedited treatment of a registration application, requires no fee; still, the applicant must meet the requirements set forth in the Federal Register.¹⁶¹

However, despite quickly implementing new examination procedures for environmental patent applications, Mr. Kappos could undermine “green” technological advancements in the carbon offsets area because he is thought to oppose business method patents.¹⁶² Policies based on such a view could invalidate business method patents for the carbon offsets cap-and-trade system¹⁶³ such as the one owned by CCX,¹⁶⁴ titled “Systems and Methods for Trading Emission Reductions.”¹⁶⁵ A significant business method patent’s case, *In re Bilski*, casts doubt on the continued validity of such patents and is presently pending before the Supreme Court.¹⁶⁶ Under the Federal Circuit *Bilski* test, “there is the unresolved question of whether CCX’s claim is patentable.”¹⁶⁷ The acceleration program for “green” technology includes technology that reduces greenhouse gas emissions, but if the rights in “green” technology do not include business method patents, efforts to decrease greenhouse gas emissions through a cap-and-trade system could be seriously impaired.

Perhaps the role of comprehensively defining “green” comes from a controversial¹⁶⁸ statute signed into law in 2008 by President George Bush, called the “Prioritizing Resources and Organization for Intellectual Property Act of 2008,” commonly referred to as the Pro-IP Act.¹⁶⁹ One of the features of the Pro-IP Act was the creation of the position of “Intellectual Property Enforcement Coordinator” (IPEC), commonly referred to in the media as the IP Czar or the Copyright Czar.¹⁷⁰ According to the Pro-IP Act, the function of the IP Czar is, generally, to develop

¹⁶¹ Pilot Program for Green Technologies Including Greenhouse Gas Reduction, 74 Fed. Reg. 64,666 (Dec. 8, 2009), *available at* <http://www.uspto.gov/patents/law/notices/2009.jsp>. Notably, the applicant must, among other statements, (1) requests early publication (or states that it has been published with the submission of the publication fee); (2) elect an invention that meets the eligibility requirement and classification requirement set forth in the notice entitled “Pilot Program for Green Technologies Including Greenhouse Gas Reduction” that was published in the Federal Register. *Id.* at 64,667. Also, the application must contain no more than three (3) independent claims and twenty (20) total claims and cannot contain any multiple dependent claims. *Id.* The Petition form can be found at <http://www.uspto.gov/patents/law/notices/74fr64666.pdf>.

¹⁶² Christopher Hilberg, *Kappos and Business Method Patents: Recognizes “Important Technological Advances” in the Financial Field But Not a Fan of Patents on Business Methods*, Patents & Financial Services Industry Blog (June 19, 2009) <http://xelpi.com/?p=124> (last visited Feb. 22, 2009).

¹⁶³ See, e.g., Ronald Daignault, *Carbon Offsets and Patent Protection for Business Methods After In re Bilski*, CLEAN TECH L. & BUS., Spring 2009, at 75–77.

¹⁶⁴ U.S. Patent No. 7,343,341 (filed Jan. 14, 2005) (issued Mar. 11, 2008).

¹⁶⁵ Daignault, *supra* note 163, at 7.

¹⁶⁶ See *In re Bilski*, 545 F.3d 943 (Fed. Cir. 2008), *cert. granted sub nom. Bilski v. Doll*, 129 S.Ct. 2735 (2009).

¹⁶⁷ Daignault, *supra* note 163, at 77 (outlining the uncertainty over whether CCX’s claim is patentable).

¹⁶⁸ See Ray Dowd, *The Pro-IP Act of 2008: Copyright and Trademark Enforcement*, Copyright Legislation Blog, ¶ 2 (Oct. 19, 2008), <http://copyrightlitigation.blogspot.com/2008/10/pro-ip-act-of-2008-copyright-and.html> (last visited Feb. 22, 2010) (“Legislation was vigorously opposed by Department of Justice . . .”).

¹⁶⁹ Prioritizing Resources and Organization for Intellectual Property Act 2008, 122 Stat. 4256 (2008) (codified as amended at 15 U.S.C. § 8101 (2008)).

¹⁷⁰ 15 U.S.C. § 8111(a) (2008).

recommendations on the allocation of Federal resources for intellectual property enforcement.¹⁷¹ Specifically, the IP Czar shall do the following: (1) have primary responsibility for developing and facilitating a “Joint Strategic Plan” among various U.S. departments and agencies against counterfeiting and piracy and chair the committee developing such Plan; (2) serve as the advisor to both the President and Congress on domestic and international intellectual property enforcement, including challenges and priorities with recommendations to the Congress for improvements in Federal intellectual property enforcement; (3) assist in negotiations on behalf of the United States relating to international intellectual property enforcement, including negotiations with the World Trade Organization; (4) monitor and enforce intellectual property enforcement obligations of other countries under trade agreements with the United States; (5) coordinate policy and policy interpretation among departments and agencies in regard to domestic and international intellectual property enforcement; and (6) consult with the newly appointed IP Enforcement Representative.¹⁷²

The Department of Justice (“DOJ”) vigorously opposed this law, arguing that, “The statutory creation . . . with the duties described in the bill constitutes a legislative intrusion into the internal structure and composition of the President's Administration. This provision is therefore objectionable on constitutional separation of powers grounds.”¹⁷³ Despite the objections of the DOJ, the Act became law.¹⁷⁴

On September 25, 2009, Victoria Espinel became the first IP Czar nominee.¹⁷⁵ On November 4, 2009, Ms. Espinel made her official statement before the Judiciary

¹⁷¹ See *id.* § 8113(e)(3).

¹⁷² *Id.* §§ 8111–8114

¹⁷³ See Letter from Keith B. Nelson, Principal Deputy Assistant Attn’y Gen. & Lilly Fu Claffee, Gen. Counsel U.S. Dep’t. of Commerce, to Hon. Patrick Leahy, Chairman Comm. on the Judiciary & Hon. Arlen Specter, Ranking Member, Comm. on the Judiciary, (Sept. 23, 2009) (on file with The John Marshall Review of Intellectual Property Law), *available at* <http://www.ogc.doc.gov/ogc/legreg/letters/110/S3325Sep2308.pdf>.

¹⁷⁴ See Prioritizing Resources & Organization for Intellectual Property Act of 2008, 122 Stat. 4256 (2008) (codified as amended at 15 U.S.C. § 8101 (2008)).

¹⁷⁵ Press Release, The White House, Office of the Press Secretary, President Obama Announces More Key Administration Posts, (Sept. 25, 2009), *available at* http://www.whitehouse.gov/the_press_office/President-Obama-Announces-More-Key-Administration-Posts-9/25/09. The press release stated that:

Victoria A. Espinel is the founder and President of Bridging the Innovation Divide, a not-for-profit foundation focused on addressing the “innovation divide” and empowering all Americans to obtain the full benefit of their creativity and ingenuity. From 2007-2009, Ms. Espinel was a Visiting Assistant Professor at the George Mason University School of Law. Her areas of teaching and research were intellectual property and international trade. She has acted as advisor on intellectual property issues to the staff of the Senate Judiciary Committee, Senate Finance Committee, House Judiciary Committee and House Ways and Means Committee. She also served as an advisor to Romulus Global Issues Management and is a member of the Brain Trust of the Global Innovation Forum. In 2005, Ms. Espinel was asked to serve as the first ever Assistant United States Trade Representative for Intellectual Property and Innovation at the Office of the U.S. Trade Representative, serving as the chief U.S. trade negotiator for intellectual property and innovation. She testified on numerous occasions before the House Judiciary Committee and the Senate Committee on Homeland Security and Governmental Affairs. Ms. Espinel also served as Deputy Assistant USTR for

of the United States Senate as Nominee to Serve as Intellectual Property Enforcement Coordinator Committee.¹⁷⁶ In her brief two-page statement, she quoted:

According to the U.S. Patent and Trademark Office, intellectual property in this country is worth more than \$5 trillion. Every year in the United States, more jobs, more exports and more incomes depend on intellectual property. We are successfully building the knowledge economy in America – and, if confirmed, I look forward to working with Congress to ensure that we protect it.¹⁷⁷

In her Statement, Ms. Espinel specifically identified environmental issues in the definition of the “knowledge economy” and discussed how it relates to intellectual property rights: the knowledge economy “will spur and protect U.S. investments in technologies to disseminate information, *to address climate change and diversify our energy resources*, to secure food for growing populations, to develop medicines for life-threatening diseases, and to provide productive tools for individuals to lift themselves out of poverty.”¹⁷⁸

Ms. Espinel, as IP Czar, will chair the interagency intellectual property enforcement advisory committee, composed of herself as chairperson, and senior representatives of the following departments and agencies:

(I) . . . [T]he Department of Justice. (III) The United States Patent and Trademark Office and other relevant units of the Department of Commerce. (IV) The Office of the United States Trade Representative. (V) The Department of State, the United States Agency for International Development, and the Bureau of International Narcotics Law Enforcement. (VI) The Department of Homeland Security, U.S. Customs and Border Protection, and U.S. Immigration and Customs Enforcement. (VII) The Food and Drug Administration of the Department of Health and Human Services. . . . (IV) ***Any such other agencies determined to be substantially involved in the efforts of the Federal Government to combat counterfeiting and piracy.***¹⁷⁹

By statute, the IP Czar has the ability to include the necessary agencies for proper intellectual property enforcement and if Ms. Espinel views climate change at

Intellectual Property and as Associate General Counsel at USTR. Before joining USTR, Ms. Espinel was with the law firms of Covington & Burling in London and Washington, D.C., and Sidley, Austin, Brown & Wood in New York. She holds an LLM from the London School of Economics, a JD from Georgetown University Law School, and a BS in Foreign Service from Georgetown University's School of Foreign Service.

Id. On December 3, 2009, the Senate confirmed Ms. Espinel as the first IPEC. *Id.*

¹⁷⁶ *Confirmation Hearing of the Senate Judiciary Comm.* (Nov. 4, 2009) (statement of Intellectual Property Enforcement Coordinator nominee Victoria Espinel), *available at* http://judiciary.senate.gov/hearings/testimony.cfm?id=4151&wit_id=8293.

¹⁷⁷ *Id.*

¹⁷⁸ *Id.* (emphasis added).

¹⁷⁹ 15 U.S.C. § 8111(b)(3)(A) (2008) (emphasis added).

the core of her role as IP Czar, then she should include the EPA¹⁸⁰ - the very agency actually assigned the task of environmental protection - in her committee. The EPA is currently addressing the question of “how one defines an environmentally preferable product” by “a variety of departments within the EPA.”¹⁸¹ Further, pursuant to her authority under the Pro-IP Act,¹⁸² Ms. Espinel should also consult with members of the private sector, including CCX and CRS, who have in effect been implementing “green” policies through certification programs. The IP Czar position, if undertaken with a comprehensive, wide reaching, and imaginative approach to intellectual property enforcement, is well-suited to establish a useful definition of what it means to be “green.”

CONCLUSION

*“We shall require a substantially new manner of thinking if mankind is to survive.”*¹⁸³

Although defining “green” is not easy, the IP Czar has the capacity to reconcile competing definitions put forth by the FTC, the USPTO director, and the TTAB. Ms. Espinel could effectively coordinate “green” intellectual property enforcement effectively by consulting agencies not traditionally part of intellectual property such as the EPA and members of the private “green” industry to develop a consensus

¹⁸⁰ *Id.*

The purpose of the Environmental Protection Agency (EPA) is to protect and enhance the environment in the present and for future generations to the fullest extent possible under the laws enacted by Congress. The mission of the agency is to control and abate pollution in the areas of air, water, solid waste, noise, radiation, and toxic substances. The mandate of the EPA is to mount an integrated, coordinated attack on environmental pollution in cooperation with state and local governments. The Environmental Protection Agency was established in the Executive Branch as an independent agency pursuant to Reorganization Plan No. 3 of 1970, effective December 2, 1970. The EPA was created to permit coordinated and effective governmental action on behalf of the environment. The EPA endeavors to abate and control pollution systematically, by proper integration of a variety of research, monitoring, standard setting, and enforcement activities. As a complement to its other activities, the EPA coordinates and supports research and antipollution activities by state and local governments, private and public groups, individuals, and educational institutions. The EPA also reinforces efforts among other federal agencies with respect to the impact of their operations on the environment, and it is specifically charged with publishing its determinations when those hold that a proposal is unsatisfactory from the standpoint of public health or welfare or environmental quality. In all, the EPA is designed to serve as the advocate of the public for a livable environment.

4 WEST'S ENCYCLOPEDIA OF AMERICAN LAW 276 (2d ed. 1998).

¹⁸¹ *See Hearing: It's Too Easy Being Green*, *supra* note 4 (testimony of M. Scot Case, Vice President of TerraChoice & Executive Director of EcoLogo Program).

¹⁸² 15 U.S.C. § 8113(c)(2) (“During the development of the joint strategic plan, the IPEC . . . (2) may consult with private sector experts in intellectual property enforcement in furtherance of providing assistance to the members of the advisory committee appointed under section 8111(b)(3) of this title.”).

¹⁸³ ROD FUJITA, *HEAL THE OCEAN: SOLUTIONS FOR SAVING OUR SEAS* 197 (2003) (quoting Albert Einstein).

about what it means to be “green.” Many constituencies for such an initiative exist, including trademark owners and the TTAB, inventors and the USPTO, the FTC and legitimate certifiers such as the Center for Resource Solutions, the Congress and consumer groups such as the Consumer’s Union, carbon offsets purchasers, CCX and FINRA, to name a few. With consensus about what it means to be “green,” the Executive Branch, through the position of the IP Czar, might then be able to undertake the awesome task of coordinating global “green” intellectual property enforcement efforts to advance U.S. “green” technologies.