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Protecting Green Brands In The Eco-Mark Era

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We have entered the Eco-Mark Era. According to a recent study, the number of trademark applications filed in the U.S. Patent & Trademark Office ("PTO") for marks that contain the term "green" more than doubled in just one year, from 1,100 in 2006 to more than 2,400 in 2007.[1] The instances of the terms "clean," "eco," and "environment" also rose dramatically last year.[2]

The question is no longer whether businesses will highlight their sustainable practices and market environmentally friendly products and services, but how they will do so. Companies across various industries, including **Clorox**, **PNC Financial Services**, and **Hewlett Packard**, are creating green brands to attract environmentally-conscious consumers.

Through the use and registration of eco-marks – trademarks, service marks and certification marks that communicate environmentally friendly products or services – businesses can protect their green brands.

Registering Eco-Marks: Easy As PNC?

PNC Financial Services (PNC) has more environmentally friendly buildings than any other company. PNC recently got a federal registration for the service mark GREEN BRANCH for its bank branches, turning the bank's green ways into a brand.

The biggest hurdle for PNC, and for any business that seeks federal trademark protection for a green brand name, was that the mark is arguably "merely descriptive" of the services PNC offers, i.e., financial services in environmentally friendly facilities.

This is because U.S. trademark law prohibits federal registration for a trademark that is a generic term or descriptive of goods or services. The rationale is that it would restrict competitors from conveying information about their goods or services.

On the other hand, a trademark that is "suggestive" of the type of goods or services can be registered as trademark. Arguing the fine line between descriptive and suggestive trademarks can make the process of securing a federal registration for an eco-mark costly and difficult.

Indeed, PNC had to wage a three and a half year battle with the PTO to get the registration for GREEN BRANCH. The PTO twice rejected PNC's trademark application on

the ground that the term is merely descriptive of financial services offered in environmentally friendly facilities.

PNC had to appeal the decision to the PTO's Trademark Trial & Appeal Board ("Board"). The Board decided that PNC could have the registration for GREEN BRANCH because financial services are not typically associated with environmentally friendly characteristics.

Specifically, the Board reasoned that green facilities do not affect the basic principles of the banking business and serve no particular purpose in the performance of financial services, so the connection between the trademark and PNC's services was too remote for the mark to be merely descriptive.

Determine Whether The Green Ways Are Part Of The Core Business

This ruling suggests that it may be difficult for a firm whose core business is affected by environmentally friendly practices to obtain federal registrations for their eco-marks.

A business operating in a sector in which green characteristics are tangential to the goods or services provided has a stronger argument that its green trademark is not merely descriptive of its goods or services than a business whose green practices contribute to the production of its goods or the performance of its services.

One example of an industry that might have difficulty obtaining eco-marks for this reason is dry cleaning. For instance, a well-known New York dry cleaning business has replaced traditional machines and chemicals with specialized equipment and solvents that reduce pollution.

Unlike financial services, the cleaner's environmentally friendly practices directly affect the basic function of its business – cleaning services. Therefore, an application for a trademark that indicates green dry cleaning services (GREEN CLEANERS, for example), may be rejected by the PTO as merely descriptive of environmentally friendly cleaning services (however, as discussed below, the New York dry cleaner found a way to avoid a descriptiveness rejection).

Draft The Listing Of Goods Or Services Without The Environmental Aspect If Possible

One eco-mark prosecution strategy is to omit any reference to the environmental aspect of the goods or services if possible. The PTO's determination of whether a mark is merely descriptive is guided primarily by the applicant's identification, or listing, of goods or services.

For example, a listing of services in an application to register the mark GREEN CLEANERS might read "cleaning services, namely, providing dry cleaning and laundry services for clothing, linens, bedding and the like." This listing accurately describes the services and makes no mention of the environmentally friendly equipment and chemicals the business is using.

While the trademark examiners in the PTO can look beyond the listing of goods or services to the context of the mark's use, they don't always, and a well-drafted listing could help an applicant avoid a descriptiveness rejection.

Add A Non-Descriptive Element To The Mark

If the desired mark contains an environmentally descriptive term such as "green," "clean," or "eco," then adding a non-descriptive or arbitrary element to the mark could

improve the applicant's chances of obtaining a federal registration. When a mark contains multiple terms, both the combination of terms as well as the individual terms are examined to make a descriptiveness determination.

GREEN APPLE CLEANERS, an eco-mark owned by the eponymous New York dry cleaner that uses environmentally friendly cleaning systems, sailed through the PTO and was registered in just eight months. The addition of the word "apple" probably diluted the descriptive nature of the other two terms so the mark as a whole was not deemed merely descriptive.

Clorox's new brand of environmentally friendly cleaning products is sold under the GREEN WORKS mark. Because "works" does not describe the products, Clorox's trademark applications for this eco-mark have not been held up by descriptiveness rejections.

But, in a sign of how descriptive, or even generic, the term "green" has become, Clorox had to disclaim its right to use "GREEN" apart from the complete mark.

Consider Certification Marks

If a company's core business is affected by green characteristics, or involves environmentally friendly products, processes or services, using a certification mark may be a good strategy.

Instead of indicating the commercial source of a product or service, certification marks communicate that goods or services meet certain quality or manufacturing standards. They are owned not by the individual businesses, but by the organizations that set the standards.

It is the certifying organization, not the ultimate user, that applies to the PTO for federal registration of a certification mark. A business, in turn, contacts the certifying organization to request evaluation of its goods, services or practices if the business wants to use the certification mark.

The organization is free to set the standards for its certification mark as it sees fit; there is no government control over the standards the certifier uses. The certifying organizations permit businesses to use the certification marks only if they satisfy the appropriate standards.

It is also up to the certifying organization to convince consumers that the certification mark provides reliable and useful information.

A business interested in using a certification mark to market its goods or services should research the reputation of the certification mark and the certifying organization to determine whether the mark would be beneficial to its business.

Two examples of well known and reputable green certification marks are the U.S. Environmental Protection Agency's (EPA) Energy Star certification and the U.S. Green Building Council Leadership in Energy and Environmental Design (LEED) certification.

The EPA owns a federal certification mark registration for its Energy Star design. The EPA works together with the U.S. Department of Energy and manufacturers to award the Energy Star certification to products that meet particular energy savings standards. Products ranging from battery chargers to projection televisions to dishwashers, as well as new homes and office buildings bear the Energy Star certification.

Similarly, the U.S. Green Building Council applied for a federal certification mark registration for its LEED certification symbol. This certification has become the national standard for environmentally friendly and energy efficient buildings.

With respect to both the Energy Star and LEED certifications, businesses apply to the organization for review of their products or services, and the certification is awarded if the business meets the organization's standards.

Certification marks are a good choice for many businesses. Some marketing studies show that consumers are more likely to make purchasing decisions based on environmental factors if the eco-mark or eco-label is widely recognized and trusted.

Avoid Greenwashing

With the rise of green branding comes the temptation of "greenwashing" (making false or misleading green marketing claims), and a flood of green skepticism.

Greenwashing can be considered a subset of false advertising, which has always been forbidden of course. But greenwashing differs from most other types of false advertising in that the anti-greenwashing forces are well-informed, highly mobilized, and very vocal. For these reasons, detailed information on greenwashing is increasingly available to the public.

Internet resources such as ecolabelling.org provide independent verification and analysis of logos and labels that purport to communicate that products have met environmental standards. Notable transgressions and false claims instantly reach millions of concerned consumers through the green blogosphere.

TerraChoice Environmental Marketing Inc., a marketing agency, published a report last year called the "Six Sins of Greenwashing" which found that, of more than 1,000 self-declared "green" products reviewed, all but one committed at least one of the sins. These sins included, for example, the sin of no proof of an environmental claim, the sin of a vague environmental claim, and the sin of an irrelevant environmental claim.

Government agencies, such as the Federal Trade Commission ("FTC") in the U.S., the Advertising Standards Authority ("ASA") in the U.K. and the Australian Competition and Consumer Commission ("ACCC"), set guidelines and enforce them against greenwashers. The FTC writes and publishes "Green Guides" which it uses to decide whether marketing claims regarding green products are valid or are deemed false advertising.

Not surprisingly, greenwashing complaints are on the rise. The number of complaints received by the ASA about U.K. advertisements making environment claims jumped from 117 in 2006 to 561 in 2007.

Investigations of green advertising claims by government agencies are also on the rise. In the past year, the ASA has ruled against several purportedly green advertisements.

One case involved a Lexus ad that included the phrase "High Performance. Low Emissions. Zero Guilt." The ASA found the ad misleading because it implied the car caused little or no harm to the environment. The ASA also found that the ad's fine print was not prominent enough.

Recently, **Goodyear** admitted that its Eagle LS2000 tire does not live up to claims made on the company's Australian Web site that the tire is "environmentally friendly," has "minimal environmental impact," improves fuel economy, and is produced by a process

that results in reduced carbon dioxide emissions.

The ACCC found that Goodyear could not substantiate these claims and deemed them false and misleading. The company is offering a partial refund to anyone who purchased the tire in February or March of this year.

Needless to say, businesses should be very careful only to make environmental claims that are substantiated.

Conclusion

Businesses that keep these considerations in mind should improve their chances of obtaining some trademark protection for their green brands and maintaining the integrity of their brands. One major decision is whether to seek a ordinary trademark registration or a certification mark to further a business' green branding efforts.

That decision is an individual one that depends on, among other things, the types of goods or services involved and the type of industry. If a company's core business involves environmentally friendly products, processes or services, a certification mark may be feasible.

On the other hand, if the green practices do not affect the basic principles of the business, the company might try to obtain its own green trademark.

Of course, a business can do both: in addition to its ordinary GREEN BRANCH trademark, forty-two of PNC's buildings – including 15 of its bank branches – have received the LEED certification.

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[1] See 2008 Dechert LLP Annual Report on Trends in Trademarks, available at greenbiz.com/files/document/Trends_in_Trademarks2008_green.pdf.

[2] See id.

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