

### III. Certification marks – Guarantee marks

Certification and/or guarantee marks are left to the discretion of the Member States, but are not recognised as such in the circle of Community marks. Although legislation on these categories of marks is not yet harmonised,<sup>39</sup> many Member States have rules on them as separate categories of marks or they house them – as in the case of Italy – in the collective type of mark.<sup>40</sup> It follows from this situation that no uniform definition can be provided, as terminology in each legal system varies and so do the characteristics of the mark. Further, the reason why a proper comparison between Community collective marks and certification marks (and whether the latter are embodied in the first) cannot be performed becomes more apparent, since there is no point of reference in order to compare and contrast them, apart from the legislative history.

Certification and guarantee (or warranty) marks are very similar in content, but are considered distinct types of marks, with the certification type being much more recognised throughout the legal systems than the guarantee one. There are also instances where the two terms are used interchangeably.

#### A. Guarantee marks

Guarantee marks are considered the ones that attest elements common among enterprises, such as level of quality, characteristics of the products or services, manufacturing methods, geographical origin and the like.<sup>41</sup> They cannot be owned by bodies comprised of producers or traders, whereas the proprietor is not allowed to use the mark itself.<sup>42</sup> Use of guarantee marks is usually not subject to membership; ergo anyone being able to prove having the common features guaranteed can take advantage of its significance.<sup>43</sup>

---

39 *Supra* n. 30 .

40 Orazio Olivieri, *Using Collective Marks for the Protection of Traditional Products*, available at [http://www.wipo.int/sme/en/documents/collective\\_mark\\_fulltext.html](http://www.wipo.int/sme/en/documents/collective_mark_fulltext.html) (last accessed Jun 19, 2014).

41 BERNARD O' CONNOR, *THE LAW OF GIs*, 72 (Cameron May 2004).

42 David Tatham & William Richards, *supra* n. 8 , at 863.

43 See, by way of example, Article 21 of the Swiss Trade Mark Act.

Guarantee marks are simple signs of control aiming to guarantee specific qualities of a product or service. The German legal theory acknowledges the problem of lack of uniformity with regard to terminology on an international level, but “Garantiemarken”, as guarantee marks are called in Germany, are considered as corresponding to the common law term of certification marks, so the two terms are used somehow interchangeably. Guarantee marks can be registered as collective marks, but it is, nevertheless, underscored that guarantee marks as such are not collective marks and, vice versa, collective marks as such are not guarantee marks. In fact, guarantee marks under the German legal thinking are not trade marks in the sense of the Trade Mark Act, because they do not serve any commercial origin function. Guarantee marks do not distinguish products made from distinct undertakings, their sole purpose rather being to ascertain in a positive way the products’ characteristics.<sup>44</sup>

#### B. Certification marks

Moving on to certification marks, this type, according to the majority of opinions, does not serve to indicate commercial origin in the sense of the source function of trade marks. Certification marks rather signal that a certain product or service complies with rules set by an independent authority, public or private, which is responsible for establishing production criteria and possibly a certification mechanism, but which does not itself take part in the actual production.<sup>45</sup> Use of certification marks is not dependent on membership, but it is open to anyone who complies with the established standards.<sup>46</sup>

---

44 KARL-HEINZ FEZER, *Markenrecht – MarkenG* § 97, Abs. 1 Rn 9, KOLLEKTIVMARKEN (Verlag C.H. Beck München 2009).

45 SHAHID ALIKHAN AND R. A. MASHELKAR, *INTELLECTUAL PROPERTY AND COMPETITIVE STRATEGIES IN THE 21<sup>ST</sup> CENTURY* 14-15 (Kluwer Law International 2009).

46 Bernard O’ Connor, *supra* n. 41, at 72, but opposite opinion in David Tatham & William Richards, *supra* n. 8, at 863.

## 1. Ownership

So, a certification mark is typically owned by a body – a private entity or an authority or even a State (e.g. the United States in particular) – other than the undertakings actually using the mark. That is why this body is considered as more objective, being an external third party which sets the standards and monitors their observance, but does not profit from affixing the mark to its products or from connecting the mark to its services.<sup>47</sup> To avoid possible conflicts of interests, therefore, a producers' association cannot own a certification mark, whereas no problem exists for government bodies, trade unions or research institutes.<sup>48</sup>

## 2. Categories of certification marks

Many authors distinguish types of certification marks, but even this categorisation is not uniform. A common division is into those signalling goods/services' geographical origin, those ascertaining goods/services' particular quality, composition or production method and those showing seller's either compliance with standards or membership in a group or union.<sup>49</sup> Others speak of marks guaranteeing "functionality or quality" and of marks guaranteeing "environmental quality",<sup>50</sup> but the list is actually endless.

## 3. Distinction from a "warranty"

Certification marks, despite their function as quality guarantees, do not have the legal consequences of a warranty. The certification they provide neither gives customers a claim for redress, nor binds the certifier legally in contractual or tort terms, when its mark is connected to products or services not worthy of the sign.<sup>51</sup> Nevertheless, certification marks invoke some type of

47 Jeffrey Belson, *Certification marks*, *supra* n. 23, at 32.

48 Peter Munzinger, *Blue jeans and other GIs: an overview of protection systems for GIs*, 7(4) *JiPLP*, 290 (2012).

49 See Alikhan & Mashelkar, *supra* n. 45, at 16 and Bernard O' Connor, *supra* n. 41, at 72-73.

50 Herbert Johnston & Roberto Rozas, *Impact of certification marks on innovation and the global market place*, 19(10) *EIPR* 598-599 (1997).

51 Jeffrey Belson, *Certification Marks*, *supra* n. 23, at 72-80.

assurance to the buyers; therefore there is usually protection against misleading practices and the certifier has standing against anyone who tries to register a false indicator. In Greece, for instance, where a certification mark does not in principle fall within the general trade mark law provisions, but to a special legislative regime, because it does not indicate commercial origin as conventional trade marks do, use of the certification mark requires administrative license to avoid cases of registration of a misleading sign.<sup>52</sup>

Moreover, what seems important is the competence of this third independent certifier to actually perform such activity. In many jurisdictions, the interested party wishing to register a certification mark has to serve proof of competence.<sup>53</sup>

#### 4. Comparison and contrast to collective marks

The primary function of a certification mark is, consequently, to assure compliance with specific standards in an absolute way, in contrast to conventional or collective trade marks that connote mere consistency as to the quality of products originating from an undertaking or members of an association.<sup>54</sup> In the case of certification marks, an independent party sets standards to serve third persons' trading interests. In contrast, for collective marks, the regulations, which detail the parties that can use the mark, membership requirements and rules on use, constitute an internally adopted instrument for internal consumption, because they are decided jointly by the members for them to exploit in relation to their products or services. As a general comment, therefore, it can be concluded that collective marks should not include certification marks; certification marks embody a self-standing genre of mark distinct from collective marks. The answer to the second crucial question of this paper should thus be negative: housing certification marks under collective marks is not the appropriate option, because of the

---

52 MICH.-THEOD. D. MARINOS, DIKAIΟ SIMATWN, 360 (Dikaio kai Oikonomia – P.N. Sakkoulas 2007) [in Greek – transliterated title].

53 Jeffrey Belson, *Certification Marks*, *supra* n. 23, at 28. However, he also stresses the lack of transparency in Belson, *Certification marks, guarantees and trust*, *supra* n. 34, at 340. On similar issues of accountability see Margaret Chon, *Marks of Rectitude*, 77 FORDHAM LAW REVIEW 119-130 (2009).

54 Jeffrey Belson, *Certification Marks*, *supra* n. 23, at 20.

different structure of the marks, the different function and because such a choice would create confusion among the consumers.

## 5. The proposal for a new Regulation

From the perspective outlined above, the proposal for a new Community Trade Mark Regulation moves to the right direction. The need for an update of the European trade mark regime was recognised in 2009, when the European Commission invited submission of comments in an effort to consider which areas of the legislation had to be amended, to what effect and in which way, as to make the regime more accessible, more apt to respond to the latest developments and more beneficial for the users and the society as a whole.

In the study prepared by the Max Planck Institute for Intellectual Property and Competition Law in 2011, it was identified that collective marks and certification marks are two different types of marks chiefly in terms of structure,<sup>55</sup> fact that also defines their function. Collective marks are used by members of an association owning the mark, whereas certification marks are held by individuals or other bodies that allow people in line with the requirements set by the holder to use the mark. It is specifically concluded that “*certification marks are signs of supervised quality, whereas collective marks do not imply a quality claim*”. The suggestion was, therefore, that separate provisions on certification marks be inserted in the CTMR. Apart from the doctrinal explanation, it was submitted, from a practical point of view, that provisions on certification marks would help bridge the gap between national rules and the CTM regime, while offering the chance to interested parties to make use of the system, which, as is at present, cannot apply to their cases.<sup>56</sup>

---

55 The same view is expressed by the WIPO, stating that “*the difference is one of form rather than of substance*”. See WIPO, Standing Committee on the law of trademarks, industrial designs and GIs, SCT/8/4, 2002, at 9.

56 Study on the Overall Functioning of the European Trade Mark System presented by Max Planck Institute for Intellectual Property and Competition Law, 15.2.2011, at 212, available at [http://ec.europa.eu/internal\\_market/indprop/docs/tm/20110308\\_allensbach-study\\_en.pdf](http://ec.europa.eu/internal_market/indprop/docs/tm/20110308_allensbach-study_en.pdf) (last accessed Jun 19, 2014).

The proposal for the new regulation<sup>57</sup> affirms the Institute's comments and does take the above mentioned suggestions into consideration. According to the proposal, a second section on European certification marks is inserted to Title VIII (Articles 74b-74k). European certification marks would then be marks used to distinguish certified products or services from the ones that are not, so they will not signal commercial origin. The proposed article lists what aspects of a product the mark will provide certification for, namely "*geographical origin, material, mode of manufacture of goods or performance of services, quality, accuracy*", but those are not exhaustive.

Further, the ownership status is made clear in the proposal, as parties eligible to apply would be legal persons that do not engage in commercial activity with respect to the goods or services they certify and that can prove their competency to operate certification schemes.

European certification marks are proposed, as presently Community collective marks, to be able to accommodate signs with geographical components, so the descriptiveness barrier would be here also overcome, but for the restraint as to traders using the sign in an honest manner, who would not be obstructed from doing so. The requirement of regulations governing use is inserted here too, so the applicant would have to submit who would be qualified for use, what the qualities certified are, the procedure to be followed for examining those qualities and to monitor the use of the mark thereafter and finally the terms of use of the sign. The proposal is very specific with regard to the issue of transfer by explicitly stating that European certification Marks would be transferable but only to those who meet the eligibility criteria for this type of mark. In the CTMR no mention is made concerning the transfer of Community collective marks, perhaps because it is considered self-evident that the transfer can only be effectuated if the transferee fulfils the requirements of Article 66, so individuals are excluded. It is to the proposal's advantage that it is so clearly phrased, for it leaves no doubts as to the intention of the legislator.

All the above points considered, the introduction of certification marks as a separate category of marks in the proposal for the new Regulation is a positive step forward. It assists in the clarification of the European trade mark system, makes it more inclusive as it addresses more potentially in-

---

57 Commission, Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 207/2009 on the Community trade mark, COM(2013) 161 final, available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0161:FIN:EN:PDF> (last accessed Jun 19, 2014).

interested parties, provides legal certainty and helps so that consumers are not confused as to the message each mark aims to convey.

What remains open, nevertheless, is the way aspiring certifiers would prove their competence. If the proposal for the new Regulation is adopted, which is not anticipated before the spring of 2014,<sup>58</sup> further action should be taken so that competency criteria are drafted. In such a case, additionally, an explanation would still be necessary as to the status of what are called European collective marks in relation to European certification marks. If we follow the opinion that certification marks are, under the current regime, included in Community collective marks, would this dual nature be maintained after the amendment of the Regulation? In the text of the proposal there is no substantive amendment as to the character of collective marks, so the respective provisions, as they now stand in the CTMR, remain unchanged. Would that, in turn, mean that there will be two types of certification marks at the European level, one pure and one masked within the penumbra of collective marks? What about the “certification marks” already accepted in the register as collective ones? For European certification marks it is expressly stated that they cannot be used by their proprietor; the present uncertainty concerning collective marks is not touched upon in the proposal, so this vagueness should be also raised. Since the first step towards doctrinal clarity has been taken, it would be a pity if dysfunctional and confusing compromises of the past are left to haunt the future.

---

58 Mark Lerach, *Modernisierung des Europäischen Markensystems: ein erster Blick auf den Vorschlag der EU-Kommission*, GRUR-PRAX 198 (2013).