



NOTE

Missing the (Certification) Mark: How the Lanham Act Unnecessarily Restricts State and Local Governments as Certifiers[†]

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Abstract. The law regulating certification marks—a close cousin of trademarks—is inadequate to handle the needs of state governments as certifiers. While states play important roles in certifying products, the Lanham Act’s certification mark provisions impose restrictions on certifiers that are designed to rein in self-dealing and anticompetitive conduct by private businesses and trade groups. Although these restrictions help ensure that certifiers stick to standards that they promulgate for themselves, this Note argues that these same restrictions do not account for states’ need to consistently update certification standards to fulfill public policy imperatives that are distinct from the commercial motives that private certifiers face. This Note argues that because the Lanham Act is so restrictive, courts, agencies, and Congress should all work to give more latitude to states as certifiers. In doing so, this Note also examines some of the underdeveloped doctrinal areas surrounding certification marks, including the ability to amend a certification mark and the rights-remedies gap for many violations of the Lanham Act’s certification mark provisions.

[†] See Jeanne C. Fromer, *The Unregulated Certification Mark(et)*, 69 STAN. L. REV. 121 (2017).

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Introduction

When Alaska voters approved a ballot initiative purporting to “regulate marijuana like alcohol,” the State, like others with similar initiatives, faced a thicket of unanswered regulatory questions.¹ Some questions—like how cannabis would be distributed, labeled, and secured—had been widely anticipated and discussed in the run-up to the vote.² But as the State worked over the following years to implement its voters’ decision, it found itself making choices in less high-profile realms.

Among those were two state-run programs applying federally registered certification marks to Alaskan products. Certification marks are a close cousin of trademarks that a third-party certifier applies to producers to indicate that their goods meet certain standards of origin, quality, or manufacture.³ Unlike trademarks indicating that goods come from a single producer—such as NIKE⁴—certification marks like OPRAH’S BOOK CLUB⁵ or Good Housekeeping’s warranty guarantee⁶ can appear on any manufacturer’s product meeting the certification mark’s standards.⁷ Through one such program, the Alaska Department of Natural Resources’s Division of Agriculture administers the ALASKA GROWN mark, which certifies that plant products are, in fact, grown in Alaska and meet quality standards.⁸ Per the Division’s policy, a qualifying product includes “a plant . . . grown to a finished product in the state.”⁹ And in Alaska’s legal marijuana industry,

1. See Laurel Andrews, *Alaska Marijuana Legalization Initiative: Supporters, Opponents Rally*, ANCHORAGE DAILY NEWS (updated Sept. 28, 2016), <https://perma.cc/DHH5-QZUR> (describing the “regulate marijuana like alcohol” slogan from the campaign (capitalization altered)); *2014 General Election: November 4, 2014; Official Results*, ALASKA DIV. ELECTIONS (Nov. 25, 2014, 2:55 PM), <https://perma.cc/PGV9-6R7J> (reporting that Ballot Measure 2, which would legalize marijuana, passed with over 53% of the vote); see also Alaska Div. of Elections, *Ballot Measure No. 2—13PSUM: An Act to Tax and Regulate the Production, Sale, and Use of Marijuana 1* (n.d.), <https://perma.cc/9JD7-FQ9K> (containing the text appearing on the ballot).

2. See Andrews, *supra* note 1.

3. See *infra* Part I.A.

4. Registration No. 4,704,670.

5. Registration No. 3,246,379.

6. LIMITED WARRANTY TO CONSUMERS GOOD HOUSEKEEPING SINCE 1909 REPLACEMENT OR REFUND IF DEFECTIVE, Registration No. 3,770,704.

7. The legal portion of a certification mark’s registration defining what exactly the mark certifies is known as the “certification statement.” See *infra* notes 49-53 and accompanying text.

8. See Registration No. 3,625,961; see also *Alaska Grown Program*, DEP’T NAT. RESOURCES DIVISION AGRIC., <https://perma.cc/474N-JFFH> (archived Feb. 13, 2019).

9. Div. of Agric., Alaska Dep’t of Nat. Res., *Alaska Grown: Application 2* (2018), <https://perma.cc/ZY5R-DEGE>.

each cannabis plant is grown, harvested, and sold within the state.¹⁰ But nonetheless, the Division has elected not to certify them with the ALASKA GROWN mark, citing the potential for the Division to lose its federal funding.¹¹

While the State's rationale—maintaining federal funds—is a reasonable one,¹² it comes into conflict with federal law in its own right. Section 4 of the Lanham Act regulates states' federally registered certification marks alongside the broader body of trademark law,¹³ and one of the Act's key provisions, section 14(5), states that no certifier may “discriminately refuse[] to certify or to continue to certify the goods or services of any person who maintains the standards or conditions which such mark certifies.”¹⁴ Though the State may never have anticipated the need to decide whether or not it would apply the ALASKA GROWN mark to marijuana when the program began in the 1980s,¹⁵ the Lanham Act now binds its hands.¹⁶

Colorado's attention to the marijuana question, on the other hand, may have led the State to create a similar problem. After Coloradans voted to legalize recreational marijuana in 2012,¹⁷ the State established its “byColorado” program, which allows many businesses and state agencies to use several

10. See Laurel Andrews, *Why You Won't See “Alaska Grown” Labels on Local Marijuana Anytime Soon*, ANCHORAGE DAILY NEWS (updated May 17, 2017), <https://perma.cc/UE9Y-RAXM>.

11. *Id.*

12. By comparison, the MADE IN ALASKA mark certifies that handicrafts and manufactured goods have, in fact, been made in Alaska. See Registration No. 3,678,800. The Alaska Department of Commerce, Community, and Economic Development administers the mark and applies it to locally made goods that meet the standards promulgated in the mark's certification statement. See *infra* notes 49-53 and accompanying text (explaining the nature and function of certification statements). Given that the State chose to certify marijuana using the MADE IN ALASKA mark, the State's rationale does not appear to be a pretextual basis for refusing to certify just because of opposition to marijuana itself. See James Brooks, *State Allows Marijuana Businesses to Apply for “Made in Alaska” Logos*, JUNEAU EMPIRE (Aug. 31, 2017, 1:18 PM), <https://perma.cc/28ST-T5Q2>.

13. See 15 U.S.C. § 1054 (2017); see also Lanham Act, Pub. L. No. 79-489, 60 Stat. 427 (1946) (codified as amended at 15 U.S.C. §§ 1051-1141n).

14. *Id.* § 1064(5)(D).

15. See ALASKA GROWN, *supra* note 8.

16. See 15 U.S.C. § 1057(e); 37 C.F.R. § 2.173(f) (2018) (noting that registrants of certification marks cannot materially alter certification statements).

17. See Colo. Dep't of Educ., *Marijuana Tax Revenue and Education: Fact Sheet 1* (2018), <https://perma.cc/FE8F-GS2J> (“In 2012, Colorado voters approved Amendment 64 to allow adults 21 and older to consume or possess marijuana.”); see also Colo. Sec'y of State, *Amendment 64: Use and Regulation of Marijuana* (2011), <https://perma.cc/BCU6-HDPB>.

related certification marks to advertise their Colorado roots.¹⁸ While the State's motives included fostering local businesses' development,¹⁹ the State also wanted to create a distinctive Coloradan brand excluding marijuana-related businesses.²⁰ The State's foresight led it to explicitly exclude the marijuana industry from the program's certification marks.²¹ Even though Colorado created its policy when roughly half of Americans favored marijuana legalization,²² approximately one-third thought that smoking marijuana is immoral,²³ and marijuana remained illegal at the federal level.²⁴

In the years since Colorado established its byColorado program, national support for marijuana legalization has already climbed to slightly less than two-thirds of the American public,²⁵ and support for federal legalization is emerging as an issue on at least one side of the 2020 presidential election.²⁶ These rapidly evolving attitudes call into question the proposition that Colorado, which has no bar on certifying the State's well-regarded brewers,²⁷ and whose tourism bureau advertises the State's craft distilleries,²⁸ will continue to want to distance itself from marijuana. Instead, the State may someday want to bolster its now-nascent cannabis industry alongside its more established sectors. However, despite the State's potential interest in the future in certifying marijuana-related businesses alongside others, the Lanham Act would likely bar it from doing so. Just as the Act prohibits certifiers from

18. See Ed Sealover, "By Colorado" Program to Promote State Companies—and the State's Reputation, DENV. BUS. J. (Dec. 27, 2013, 4:40 PM), <https://perma.cc/3WBL-LTS2>.

19. As is common among state certification programs, the byColorado program encouraged consumers to buy Colorado products. See *id.*

20. *Id.*

21. See, e.g., COLORADO COMPANY CO USA, Registration No. 5,459,293 (requiring that goods or services certified "do not consist of, or relate to marijuana").

22. See RJ Reinhart, *In the News: Marijuana Legalization*, GALLUP (Jan. 4, 2018), <https://perma.cc/6VRZ-5GPZ>.

23. *Marijuana: Changing Attitudes*, PEW RES. CTR. (Apr. 4, 2013), <https://perma.cc/F4UM-VRYV>.

24. See 21 U.S.C. §§ 802, 812(c), 841(a) (2017).

25. See Reinhart, *supra* note 22.

26. See Benjamin Fearnow, *Bernie Sanders Joins Cory Booker's Marijuana Justice Act to Federally Legalize Weed*, NEWSWEEK (Apr. 19, 2018, 11:26 AM), <https://perma.cc/2XZC-PCDP>; see also Marijuana Justice Act of 2017, S. 1689, 115th Cong.

27. See COLORADO COMPANY CO USA, *supra* note 21; see also Karl Herchenroeder, *Aspen Retailer, 250 Others Embrace New Colorado Logo*, ASPEN TIMES (Feb. 18, 2014), <https://perma.cc/4JVD-ZGXH>; Andy Kryza & Matt Lynch, *All 50 States, Ranked by Their Beer*, THRILLIST (updated Dec. 13, 2018, 4:32 PM EST), <https://perma.cc/YJ9K-7JY2> (ranking Colorado's beer highly).

28. See *Food & Drink*, COLO. TOURISM, <https://perma.cc/G6C7-QSCQ> (archived Feb. 16, 2019) ("The number of craft distilleries in Colorado seems to keep doubling.").

denying certification marks to producers who meet a mark's standards,²⁹ the Act also prevents certifiers from failing to control a mark's use,³⁰ which likely includes applying the mark to goods outside the scope of the certification statement.³¹

Although both of these scenarios occur in the context of states navigating the regulatory shoals around marijuana legalization, they reflect a deeper underlying tension: The Lanham Act's rules governing certification marks, which Congress crafted with an eye toward preventing anticompetitive conduct, instead come into conflict with states' public policy goals that stand apart from narrow commercial interests.³² While the procompetitive aspects of the law of certification marks serve private parties well, they serve states poorly, creating a tension in the law that calls for resolution. The law thus constrains states in their ability to use certification marks, despite certification marks' capacity to serve states' interests. This Note examines whether the Lanham Act's limits on certification marks can give way to state public policy interests when the two conflict, and finds that they cannot. This Note argues that to the extent states have already enacted policies that contravene the Lanham Act, they are likely to do so in the future, and to the extent the Act fails to properly balance state and federal interests, courts, agencies, and Congress should reassess and ultimately interpret or amend section 14(5) to let states deviate from the Act's standards when acting in accordance with public policy interests separate from commercial motives.³³

Part I of this Note briefly reviews the relatively underdeveloped law of certification marks—including how they differ from ordinary trademarks—before examining states' role as certifiers. Next, Part II examines the unique issues facing states as certifiers bound by federal law. Part III then considers whether either the U.S. Constitution or the Lanham Act might allow states to override the ordinary restrictions the Lanham Act places on certifiers, before

29. See 15 U.S.C. § 1064(5)(D) (2017).

30. See *id.* § 1064(5)(A).

31. Cf. Wynn Heh, *Who Certifies the Certifiers?*, 16 VT. J. ENVTL. L. 688, 698 (2015).

32. See *infra* notes 168-76 and accompanying text.

33. For the sake of simplicity, I frame this thesis, and this Note in general, in terms of states and state agencies. In broad strokes, the logic of this Note also applies to municipalities and other local governments. There may, however, be some differences in the advisability of giving local governments greater latitude as certifiers, inasmuch as they could be more vulnerable to political or industry capture. But to the extent that greater latitude for cities comes with greater latitude for states, the control that states exercise over their cities may be effective at curbing any local abuses of power. Cf. *Hunter v. City of Pittsburgh*, 207 U.S. 161, 178-79 (1907).

concluding that both sources of law are unlikely to do so. Part IV therefore argues that courts, agencies, and Congress should modify certification mark law to allow latitude for state public policy, and concludes with some suggestions as to how.

I. Background

Certification marks are a cousin of trademarks. Like trademarks, they convey information about goods to consumers, but unlike trademarks, this information typically indicates goods' geographic origins, compliance with standards, and union-made status. Certification marks face legal restrictions that trademarks do not, especially insofar as a unique device called the "certification statement" limits their use, and the Lanham Act limits remedies against deviant certifiers. This Note begins with these aspects of certification mark law, and then turns to states' role as certifiers—which typically arises in the context of indicating the geographic origins of agricultural and manufactured goods.

A. What Is a Certification Mark?

Certification marks are a type of specialized mark that the Lanham Act protects alongside its better-known trademark provisions. While ordinary trademarks, like DUNKIN³⁴ or BOEING,³⁵ identify an individual producer's goods in the marketplace, certification marks instead signify that the goods meet certain standards a third party promulgates.³⁶ Though trademarks and certification marks convey different messages, both increase consumers' power in the marketplace by reducing search costs and incentivizing manufacturers to invest in product quality.³⁷ As a functional matter, certification marks

34. Registration No. 4,290,078.

35. Registration No. 5,036,797.

36. See 15 U.S.C. § 1127 (2017). The Lanham Act also protects other sorts of specialized marks. Service marks "identify and distinguish the services of [a] person . . . from the services of others and . . . indicate the source of the services." *Id.* Collective marks indicate a party's membership in a "cooperative, an association, or other collective group." *Id.* Goods and services can receive multiple sorts of marks. For instance, a bottle of rice vinegar from a specialty grocery store might bear both a TRADER JOE'S trademark, see Registration No. 2,156,879, and an OU kosher certification mark, see Registration No. 1,087,891. Similarly, certification marks can apply to services as well as to goods. *Cf.* Int'l Info. Sys. Sec. Certification Consortium, Inc. v. Sec. Univ., LLC, 823 F.3d 153, 156 (2d Cir. 2016) (involving certification for security professionals).

37. See Fromer, *supra* note †, at 127-28; see also William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 275-80 (1987) (providing an economic model for trademarks' role in reducing search costs and providing incentives for product quality).

typically indicate one of three qualities: that a product comes from a certain geographic area (such as DARJEELING tea³⁸ or ALASKA GROWN produce³⁹), that the product meets certain quality control standards for manufacture (such as WOOLMARK⁴⁰ or UL CERTIFIED⁴¹), or that a certain group of people—such as union members—made the product.⁴²

Although section 4 of the Lanham Act gives certification marks the same protections as trademarks “so far as they are applicable,”⁴³ section 14(5) of the Act applies several unique strictures to certification marks.⁴⁴ First, a certifier cannot produce the goods or services that it certifies.⁴⁵ Second, a certifier cannot fail to maintain control over its mark.⁴⁶ Third, a certifier cannot allow its mark to be used for any purpose other than certification.⁴⁷ Fourth and finally, a certifier cannot discriminatorily refuse to certify goods meeting the certifier’s standards.⁴⁸

Each mark records these standards in a part of its registration called the “certification statement.” According to the Trademark Manual of Examining Procedure (TMEP) used by the U.S. Patent and Trademark Office (PTO), the certification statement should be “sufficiently detailed to give proper notice of what is being certified” beyond “[t]he broad suggestive terms of the statute.”⁴⁹ In practice, the comprehensiveness and specificity of certification statements varies widely—as a look solely at state-controlled certification marks reveals.

38. Registration No. 2,685,923.

39. ALASKA GROWN, *supra* note 8.

40. Registration No. 4,589,045.

41. Registration No. 4,283,961.

42. See 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 19:91 (5th ed. 2019). Union label marks are particularly common on printed products like magazines, clothing, and political campaign materials. See, e.g., ALLIED PRINTING TRADES COUNCIL UNION LABEL, Registration No. 507,088; see also, e.g., Lopresti v. Spectrum Press, Inc., No. 00 CIV. 2842(LMM), 2001 WL 1568434, at *1-2 (S.D.N.Y. Dec. 5, 2001) (addressing nonunion use of a union’s label).

43. 15 U.S.C. § 1054 (2017).

44. See *id.* § 1064(5).

45. *Id.* § 1064(5)(B).

46. *Id.* § 1064(5)(A).

47. *Id.* § 1064(5)(C). This is not to say, however, that certifiers are unable to engage in marketing activities and other practices to promote the marks they administer. See *id.* § 1064. They must, however, take reasonable steps to control the use of the mark to keep its meaning clear. See *Midwest Plastic Fabricators, Inc. v. Underwriters Labs., Inc.*, 906 F.2d 1568, 1572 (Fed. Cir. 1990).

48. 15 U.S.C. § 1064(5)(D).

49. TMEP § 1306.03(a) (Oct. 2018); see also Terry E. Holtzman, *Tips from the Trademark Examining Operation: Certification Marks; An Overview*, 81 TRADEMARK REP. 180, 191-93 (1991) (discussing requirements for certification statements in more detail).

For instance, the University of Tennessee’s MADE IN TENNESSEE mark certifies only goods that “have been manufactured within the State of Tennessee and are or will be marketed in accordance with the certifier’s certification standards.”⁵⁰ On the other hand, the MADE IN ALASKA mark’s certification statement includes four detailed prongs regulating different product classes, including fairly specific rules requiring, for instance, documentation to certify that the any out-of-state raw materials used in manufactured products could not have been obtained within the state.⁵¹ As with other marks, section 7(e) of the Lanham Act gives certifiers some latitude to amend or disclaim a certification mark’s certification statement.⁵² However, because such an amendment may not “alter materially” the statement, this latitude is fairly limited.⁵³

The Lanham Act provides few forms of recourse for certifiers’ violations. Section 14 is framed in terms of the conditions under which the PTO can cancel a mark, but it does not contain any other penalty for refusing to certify qualifying goods.⁵⁴ And it certainly does not describe a private right of action against a certifier for an injunction or damages, unlike the Lanham Act’s provisions dealing with trademark infringement.⁵⁵ Rather, an aggrieved party (or the Federal Trade Commission (FTC)) can petition to cancel a misbehaving

50. Registration No. 4,928,071. While a state university may seem like an unusual agency to administer this sort of mark, the certification is in fact an effort of the University’s Center for Industrial Services—an outreach arm of the university that focuses on business development in the state—to raise the profile of Tennessee manufacturers. *See About Us*, MADE IN TENN., <https://perma.cc/SGM2-DX9S> (archived Feb. 17, 2019); *About Us*, U. TENN. CTR. INDUS. SERVS., <https://perma.cc/KF35-F6T3> (archived Feb. 17, 2019).

51. *See* MADE IN ALASKA, *supra* note 12. The certification statement provides:

The certification mark, as used by authorized persons, certifies (1) For handicrafts, a crafts-person is located in the State of Alaska and maintains the handicraft or product making facilities or manufacturing operation within the State of Alaska and produces a handicraft in the state; (2) For value-added products, a crafts-person produces a product in which the value-added processes were accomplished in the state; (3) For manufactured products, a manufacturer uses Alaska resources and materials in the manufacturing or production of the products or handicraft in the state; and if the raw resources and materials do not exist in the state either in the form, quality or quantity required for the production of the manufactured product or handicraft, documentation must be provided to verify such facts; and (4) For finished products that are only partially manufactured within the state, a manufacturer must demonstrate that no manufacturing facility exists in the State of Alaska with the capacity or expertise to do the work being accomplished outside the state; and the majority (51% or more) of the value-added processes are accomplished in the state.

Id.

52. *See* 15 U.S.C. § 1057(e); *see also* 37 C.F.R. § 2.173(f) (2018).

53. *See* 15 U.S.C. § 1057(e); *see also* 37 C.F.R. § 2.173(f).

54. *See* 15 U.S.C. § 1064.

55. *See id.* §§ 1114(1), 1125(a) (authorizing private suits against trademark infringers).

certifier's mark.⁵⁶ Congress's decision to only provide the narrower form of relief—when it could have provided a broader private right of action—likely reflects a judgment on Congress's part to cabin relief for certification violations to administrative action.⁵⁷ Thus, while an Alaskan marijuana grower could be upset at being denied the ALASKA GROWN mark, it might refrain from petitioning the PTO to cancel the mark if it ultimately wants the certification for itself. Similarly, while a Coloradan brewer might be upset that a marijuana grower uses the COLORADO COMPANY mark, it also might be reluctant to petition to cancel a mark it wants to use.⁵⁸

Ultimately, while certification marks are an important tool for conveying information to consumers, relatively little law governs them.⁵⁹ Sections 4, 14, and 45 of the Lanham Act are the only statutory provisions that govern certification marks directly, and distinguish between certification marks and trademarks more broadly.⁶⁰ Similarly, much of the case law dealing with certification marks considers infringement cases, in which courts have effectively treated certification marks as equivalent to ordinary trademarks.⁶¹ The Lanham Act therefore allows a diverse set of certification marks to convey many different sorts of messages about the products they label.⁶² That

56. *Id.* § 1064(5); *see also, e.g.*, *Idaho Potato Comm'n v. M & M Produce Farm & Sales*, 335 F.3d 130, 133 (2d Cir. 2003) (addressing a counterclaim for the cancellation of a certification mark).

57. This is similar to Congress's decision to limit who can pursue false advertising claims under the Lanham Act. Even though false advertising can hurt the public at large, the Supreme Court has interpreted the Lanham Act as clearly granting standing for false advertising claims only to plaintiffs who "allege an injury to a commercial interest in reputation or sales," and as specifically precluding any claims from injured consumers. *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 134 S. Ct. 1377, 1388-90 (2014).

58. It is, of course, possible that in either of these cases, a disappointed producer might try to petition the PTO to cancel the mark if it thought it too unlikely that it would ever have the chance to use the mark after the initial denial, and to eliminate any particularly distinctive function of the mark. Which option a producer follows would likely depend on how it would weigh the cost of trying to use a certification mark without canceling it, the benefit of using the mark when it still serves a distinctive purpose, and how those would weigh against the legal cost of seeking to cancel the mark and the benefit of using the mark when it is no longer legally protected.

59. *Cf. Michelle B. Smit, Note, (Un)Common Law Protection of Certification Marks*, 93 NOTRE DAME L. REV. 419, 419-20 (2017) (discussing the underdevelopment of certification mark law in the common law context).

60. *See* 15 U.S.C. §§ 1054, 1064(5), 1127.

61. *See, e.g.*, *Int'l Info. Sys. Sec. Certification Consortium, Inc. v. Sec. Univ., LLC*, 823 F.3d 153, 159-60 (2d Cir. 2016); *Am. Bd. of Psychiatry & Neurology, Inc. v. Johnson-Powell*, 129 F.3d 1, 2-3 (1st Cir. 1997).

62. *See, e.g.*, Margaret Chon, Essay, *Marks of Rectitude*, 77 FORDHAM L. REV. 2311, 2311-17 (2009) (discussing certification marks' role as a potential regulatory tool for ensuring ethical standards in the production of goods); Fromer, *supra* note †, at 177-78 (discussing

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environment becomes more complicated still when certifiers using those marks are not private speakers expressing their own views, but rather are states pursuing some public policy goals.

B. States as Certifiers

States are particularly important certifiers, and certification marks are a particularly important type of intellectual property for states. Although the Lanham Act places few restrictions on who can administer a certification mark, as a practical matter, states and other government entities play a substantial role. While the PTO's principal register currently contains roughly 2.1 million trademarks,⁶³ a search of the PTO's database reveals that only about 3,800 of those marks (or approximately 0.18%) belong to state agencies.⁶⁴ By contrast, of the approximately 5,000 live certification marks,⁶⁵ a similar search reveals that states control approximately ten times that portion.⁶⁶

Even this number is likely to substantially understate the role of state and local governments as certifiers. For instance, many certification marks, including COLORADO COMPANY⁶⁷ and the University of Missouri's SHOW-ME-SELECT⁶⁸ mark, belong to state-owned corporations and universities, but the PTO's database does not indicate their state affiliation. Moreover, this figure does not include certification marks that belong to a

the extension of kosher certification marks beyond their ordinary ambit to respond to consumers' realistic religious preferences).

63. See Barton Beebe & Jeanne C. Fromer, *Are We Running Out of Trademarks?: An Empirical Study of Trademark Depletion and Congestion*, 131 HARV. L. REV. 945, 956 (2018).

64. A search using the PTO's Trademark Electronic Search System (TESS) with the terms "LIVE" and "STATE AGENCY" found roughly 3,900 marks. Restricting the search to "LIVE" and "STATE AGENCY" and "CERTIFICATION MARK" revealed that about 100 of the marks returned under "LIVE" and "STATE AGENCY" were certification marks, leaving about 3,800 trademarks registered to state agencies. This search was likely underinclusive as to the total number of trademarks and certification marks owned by state governments. While it is certainly possible that the search terms returned some marks that neither belonged to states, nor were trademarks or certification marks, it is more likely that certification marks owned by state agencies would not show up as such in TESS. This includes marks that might be registered to state instrumentalities that do not directly list their government affiliation in their trademark registrations. See *Search Trademark Database*, U.S. PAT. & TRADEMARK OFF., <https://perma.cc/B7LL-3FVQ> (archived Mar. 12, 2019).

65. A search only for "CERTIFICATION MARK" and "LIVE" on TESS revealed around 5,000 results.

66. These certification marks are not included in the 3,800 trademarks belonging to state agencies—a figure derived by subtracting these approximately one hundred results from all "state agency" marks found using TESS. See *supra* note 64.

67. COLORADO COMPANY CO USA, *supra* note 21.

68. Registration No. 2,630,930.

local government, rather than a state agency. In addition, there are also a number of certification marks registered to private certifiers, but which nonetheless operate with significant government backing. As an example, the MADE IN NYC mark is owned by the nonprofit Pratt Institute and certifies goods made in New York City, but the mark and certification program are supported by the New York City Council.⁶⁹ While the vagaries of relationships between governments and nonprofits vary from case to case, in some instances, these nonprofits may be sufficiently bound up with their governmental sponsors to qualify as state actors, in which case the challenges facing states as certifiers would likely apply to them as well. Thus, although it is difficult to precisely estimate the number of certification marks that either legally or functionally are subject to the problems facing state certifiers, they are nonetheless a meaningful portion of registered certification marks.

States' certification marks tend to follow consistent patterns. States' marks usually indicate products' geographic origins, but occasionally certify other standards.⁷⁰ Frequently, states run certification programs specifically for their locally grown agricultural products. Some marks, like ALASKA GROWN, certify the origin of all agricultural products from a state.⁷¹ Other marks, such as GROWN IN IDAHO for potatoes⁷² or OREGON CERTIFIED SUSTAINABLE WINE⁷³ certify a narrower range of goods—often those popularly associated with a particular region. This agricultural bent to state certification marks is unsurprising, insofar as certification marks in the United States play a similar role to geographical indications that European legal regimes protect in their own right.⁷⁴ Indeed, another point of similarity is that

69. See MADE IN NYC, Registration No. 2,902,047; see also MADE IN NYC, <https://perma.cc/5WH7-Z6SK> (archived Feb. 20, 2019).

70. See, e.g., ALASKA GROWN, *supra* note 8. For an example of a nongeographic mark, see CERTIFIED APPRECIATIVE ADVISER, Registration No. 4,354,723, originally registered by the University of South Carolina for academic advising services and now administered by Florida Atlantic University. See *Certified Appreciative Adviser*, FLA. ATLANTIC U., <https://perma.cc/S23R-PEZN> (archived Feb. 20, 2019). For another example of a nongeographic mark, see SITES, Registration No. 4,657,867 (originally used by the University of Texas to certify environmentally friendly buildings, and since assigned).

71. See *supra* text accompanying notes 9-10.

72. Registration No. 2,914,307.

73. Registration No. 3,719,980.

74. See D. Peter Harvey, *Geographical Indications: The United States' Perspective*, 107 TRADEMARK REP. 960, 966-70 (2017). In addition, the United States has a wholly separate statutory scheme for certifying the geographic origins of wine. See *id.* at 975.

European geographical indications are oftentimes controlled by national governments or by the European Union itself.⁷⁵

While agricultural certification marks are common, many states have extended their certification programs to promote goods and businesses in other economic sectors. The COLORADO COMPANY and MADE IN ALASKA marks—respectively for businesses in general and for manufactured goods—provide typical examples of this phenomenon. To some extent, these programs are similar to agricultural certification marks and to certification marks for foreign-manufactured goods—such as SWISS MADE for watches⁷⁶—in that they seek to promote products in the national or international marketplace.⁷⁷ Moreover, in many cases, certification marks for manufactured products and other businesses also aim to build loyalty to local businesses within a state.⁷⁸ Goods can help foster consumers’ sense of local identity, and certification programs indicating a product’s local origin can capitalize on this sense of identity to drive local consumers to local producers.⁷⁹

By the same token, certification marks play a unique role within states’ intellectual property portfolios. Many state governments—through either policy or accident—own substantial amounts of intellectual property.⁸⁰ States usually create this intellectual property incident to other policy initiatives,⁸¹

75. See *Registration of a Quality Product*, EUR. COMMISSION, <https://perma.cc/63ZN-YW5G> (archived Feb. 20, 2019). The American geographical indication scheme for wine is also government controlled, though at the federal level. See Harvey, *supra* note 74, at 962-63.

76. Registration No. 3,038,819.

77. See Fromer, *supra* note †, at 146-52 (describing the reputational boost consequent to a watch’s Swiss geographical indication).

78. See, e.g., *byColorado*, CHOOSE COLO., <https://perma.cc/6RYK-CY5Z> (archived Feb. 20, 2019) (“The byCOLORADO Licensing Program is designed to give Colorado companies an edge . . . [Ninety-two percent] of state residents say they would buy more Colorado products if they were identified as being from Colorado.”).

79. See, e.g., Kimberly Weisul, *Consumers Buy into “Buy Local,”* BLOOMBERG BUSINESSWEEK (Feb. 18, 2010, 2:00 PM PST), <https://perma.cc/ZC8N-YDG5>. See generally Steven M. Schnell & Joseph F. Reese, *Microbreweries as Tools of Local Identity*, 21 J. CULTURAL GEOGRAPHY, Fall-Winter 2003, at 45, 46-48 (describing the growth of microbreweries as illustrative of consumers seeking to reconnect with the local identity).

80. See, e.g., CAL. STATE AUDITOR, REP. NO. 2011-106, INTELLECTUAL PROPERTY: AN EFFECTIVE POLICY WOULD EDUCATE STATE AGENCIES AND TAKE INTO ACCOUNT HOW THEIR FUNCTIONS AND PROPERTY DIFFER app. B at 43 (2011) [hereinafter CAL. STATE AUDITOR, 2011 INTELLECTUAL PROPERTY REPORT], <https://perma.cc/GVF4-MQWZ> (“Our 2000 audit report showed that state agencies owned more than 113,000 items of intellectual property; in our latest survey, agencies reported owning more than nine million items.”).

81. See CAL. STATE AUDITOR, REP. NO. 2000-110, STATE-OWNED INTELLECTUAL PROPERTY: OPPORTUNITIES EXIST FOR THE STATE TO IMPROVE ADMINISTRATION OF ITS COPYRIGHTS, TRADEMARKS, PATENTS, AND TRADE SECRETS 32 (2000) [hereinafter CAL. STATE AUDITOR, 2000 INTELLECTUAL PROPERTY REPORT], <https://perma.cc/FEF5-YQ3N>
footnote continued on next page

and with the exception of universities,⁸² states rarely generate intellectual property with its creation and propagation as the primary goal.⁸³ By contrast, because so many state agencies pursue certification programs as an affirmative intellectual property-oriented initiative, certification marks are something of an exception to this rule.⁸⁴ As a result, while states might usually develop policies that treat their intellectual property as a byproduct of other efforts,⁸⁵ certification programs may require special treatment because they focus specifically on creating, cultivating, and licensing marks.

Finally, two *federal* certification programs illustrate aspects of the role that governments can play as certifiers. The first of these is the ENERGY STAR certification belonging to the Environmental Protection Agency (EPA),⁸⁶ which, while registered with the PTO under the Lanham Act, is applied pursuant to the EPA's broader Energy Star program—itsself created by a

(describing many of California's copyrights as unregistered slides and photographs belonging to the Department of Parks and Recreation, and a number of trademarks as incidental to the state lottery). Both editions of the California State Auditor's report exclude from consideration any intellectual property owned by the University of California. See CAL. STATE AUDITOR, 2000 INTELLECTUAL PROPERTY REPORT, *supra*, at 11-12; CAL. STATE AUDITOR, 2011 INTELLECTUAL PROPERTY REPORT, *supra* note 80, at 9. And indeed, many state universities file patents for licensing purposes. See, e.g., *For UW Inventors*, WIS. ALUMNI RES. FOUND., <https://perma.cc/W9VM-S4KS> (archived Feb. 20, 2019); see also Joe Nocera, Opinion, *The Patent Troll Smokescreen*, N.Y. TIMES (Oct. 23, 2015), <https://perma.cc/D5Y3-V2UD> (discussing "patent trolling" in the university context). The underlying university research, however, tends to be pursuant to a university's broader mission, and as a result is still incidental to another policy initiative. Cf., e.g., *Mission Statement*, U. WIS.-MADISON, <https://perma.cc/PRZ4-UUKZ> (archived Feb. 20, 2019) ("The primary purpose of the University of Wisconsin-Madison is to provide a learning environment in which faculty, staff and students can discover, examine critically, preserve and transmit the knowledge, wisdom and values that will . . . improve the quality of life for all.").

82. See, e.g., Nocera, *supra* note 81. Similarly, in the college athletics context, sports licensing is a big enough business that several private firms specialize in helping universities license their athletic trademarks. See, e.g., *About IMG College Licensing*, IMG C. LICENSING, <https://perma.cc/D6DV-G5PL> (archived Feb. 20, 2019).

83. See, e.g., *County of Santa Clara v. Superior Court*, 89 Cal. Rptr. 3d 374, 397-400 (Ct. App. 2009) (narrowly construing a state statute allowing state agencies to obtain copyrights); Jeffrey D. Friedlander, *Safeguarding the City's Intellectual Property*, N.Y. L.J. (Aug. 18, 2008), <https://perma.cc/A35T-ZEXG> ("The use of [New York City's] intellectual property was monitored and managed mainly by individual agencies, without a coordinated effort to maximize the value of this resource for the people of the city until 2003 . . .").

84. See *supra* notes 70-79 and accompanying text.

85. See, e.g., Friedlander, *supra* note 83; Caille Morris, *California Assembly Aiming to Copyright All State & Local Government Works*, ARL POL'Y NOTES (May 25, 2016), <https://perma.cc/C4UX-53TL> (describing a proposed bill in California that would set general standards for the State to assert copyright claims).

86. Registration No. 3,575,484.

separate statute.⁸⁷ Through affecting producers' choices and creating a market for more energy-efficient products, the program demonstrates how a sufficiently influential certification can serve a quasiregulatory function that extends to product characteristics entirely distinct from their point of origin.⁸⁸ Although no state has taken so dominant a role in certifying products to this point, a state like California (or a coalition of states) with the authority to set nationally influential regulatory standards could take a leading position in certification standards for carbon emissions, automation, or other emerging technologies.⁸⁹ Such a program could resemble the innovative role that California played in the 1980s when it developed the organic certification standards that are, incidentally, the other major subject of federal certification.⁹⁰

The U.S. Department of Agriculture's USDA ORGANIC label is not a registered certification mark,⁹¹ but like ENERGY STAR, shows how

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87. Energy Policy Act of 2005, Pub. L. No. 109-58, sec. 131(a), § 324A, 119 Stat. 594, 620-21 (codified as amended at 42 U.S.C. § 6294a (2017)); see *About ENERGY STAR*, ENERGY STAR, <https://perma.cc/68AD-JFRM> (archived Feb. 23, 2019). Admittedly, nothing in the statute establishing the Energy Star program explicitly overrides the Lanham Act. See Energy Policy Act § 131(a), 119 Stat. at 620-21. However, given that the Energy Star program was passed after the Lanham Act, if “an intolerable conflict” arose between the two statutes, a court would likely read the latter as creating an implied exception to the former. See *Atchison, Topeka & Santa Fe R.R. Co. v. Buell*, 480 U.S. 557, 566-67 (1987) (citing *Morton v. Mancari*, 417 U.S. 535, 550 (1974)) (refusing to find an implied statutory exception absent “intolerable conflict”).
88. See OFFICE OF ATMOSPHERIC PROGRAMS, CLIMATE PROTECTION PARTNERSHIPS: 2014 ANNUAL REPORT 3 (2016), <https://perma.cc/VUC7-RHTZ> (estimating that the Energy Star program prevented over 283 million metric tons of greenhouse gas emissions in 2014); Richard B. Howarth et al., *The Economics of Energy Efficiency: Insights from Voluntary Participation Programs*, 28 ENERGY POLY 477, 481 (2000) (noting that the Energy Star Office Products program had support from the governments of Australia and New Zealand, and nearly 100% participation from manufacturers).
89. See, e.g., 42 U.S.C. § 7543(e)(2)(A) (“[T]he Administrator shall, after notice and opportunity for public hearing, authorize California to adopt and enforce standards and other requirements relating to the control of emissions from such vehicles or engines if California determines that California standards will be, in the aggregate, at least as protective of public health and welfare as applicable Federal standards.”).
90. See Baylen J. Linnekin, *The “California Effect” & the Future of American Food: How California’s Growing Crackdown on Food & Agriculture Harms the State & the Nation*, 13 CHAP. L. REV. 357, 375-77 (2010).
91. Heh, *supra* note 31, at 700. As a result, whether the mark receives the common law protection—or concomitant restrictions—that other trademarks receive under the Lanham Act is an open question. See *Luxco, Inc. v. Consejo Regulador del Tequila, A.C.*, 121 U.S.P.Q.2d (BNA) 1477, 1497-98 (T.T.A.B. 2017) (recognizing common law claims to certification marks for tequila and citing *Institut National des Appellations d’Origine v. Brown-Forman Corp.*, 47 U.S.P.Q.2d (BNA) 1875, 1884-85 (T.T.A.B. 1998), which recognized the same for cognac); see also Smit, *supra* note 59, at 426-28 (discussing general uncertainty about common law protection of certification marks).

government certification standards can extend beyond indicating geographic origin. Moreover, the USDA ORGANIC mark routinely generates controversy between farmers, consumers, and environmentalists over what the mark symbolizes in the marketplace and what standards producers can comply with.⁹² These disputes illustrate the potential for questions about public policy to arise in the context of a government-administered certification mark—and while the Lanham Act poses fewer challenges for federal certification programs, it raises a greater specter over certification marks that states administer.

Together, the cases of both states and the federal government as certifiers indicate that certification marks are already a significant policy tool for governments, even if they are underutilized. And if cities and states do want to use certification marks to the full extent of their potential, it is worth considering whether federal law creates an environment that allows them to do so.

II. State Certification Marks and the Limits of Federal Law

Federal law imposes several limits on states' power to structure their certification programs. By and large, these limitations fall into two groups. First, the U.S. Constitution may impose limits on *states* as certifiers relative to private entities. Second—and more significantly—the Lanham Act's restrictions on *all* certifiers are in unique tension with states' policy interests. This Note addresses each limitation in turn.

A. State Certifiers and the Constitution

States' certification programs are affected by both the First and Fourteenth Amendments. In general, the Lanham Act imposes few limits on *which* product qualities a certification mark can certify.⁹³ Indeed, insofar as the Act's antidisparagement and anti-obscenity provisions⁹⁴ may have formerly limited registrable certification marks' scope, the Supreme Court and Federal Circuit's

92. See, e.g., Peter Whoriskey, *Sure, That Food Has the Government's Organic Label. But That Doesn't Mean It Was Made Without Man-Made Chemicals*, WASH. POST (Apr. 28, 2015), <https://perma.cc/M6K5-5TBM>; see also Katie O'Reilly, *Controversial Ruling Says Organic Crops Don't Have to Grow in Soil*, SIERRA (Nov. 13, 2017), <https://perma.cc/VP4V-D9VB>.

93. See 15 U.S.C. §§ 1054, 1127. Additionally, a certifier may usually register a mark that, by its own terms, aims to exclude certain goods and products. See TMEP, *supra* note 49, § 1306.04(e) (stating that the PTO “does not evaluate, in ex parte examination, whether the standards or characteristics which the mark certifies, as set out by the applicant, are discriminatory per se”).

94. 15 U.S.C. § 1052(a).

respective decisions in *Matal v. Tam*⁹⁵ and *In re Brunetti*⁹⁶ lifted such barriers. In *Tam*, the Supreme Court rejected the PTO's argument that trademarks constituted the federal government's speech and instead attributed any speech aspects in the content of a trademark to the registrant.⁹⁷ At the same time, the Court reaffirmed governments' right to take political positions in their own speech.⁹⁸

While the Court left open the question whether the act of registering a mark qualifies as speech,⁹⁹ the fact that certification marks contain both content in the marks themselves and a specific informational element (described in the certification statement) implies that a certifier undertakes at least some speech with its mark. As a result, in most cases, states can freely adopt certification marks espousing certain political views on controversial issues.¹⁰⁰ Importantly, though, the right of governments to speak freely is not a right to engage in political retaliation,¹⁰¹ and a certification standard that facially discriminates between members of political parties might still flunk First Amendment scrutiny.

Moreover, the government speech doctrine is not a license to violate the Establishment Clause.¹⁰² Thus, although numerous certification marks—such as the Orthodox Union's OU—indicate that products meet religious standards,¹⁰³ a state likely could not administer such certification marks itself. Doing so would probably run afoul of the Supreme Court's consistent

95. See 137 S. Ct. 1744, 1751 (2017) (holding section 2(a) unconstitutional as it relates to disparagement).

96. See 877 F.3d 1330, 1340-57 (Fed. Cir. 2017) (holding section 2(a)'s bar against immoral or scandalous marks unconstitutional), *cert. granted sub nom.* *Iancu v. Brunetti*, No. 18-302, 2019 WL 98541 (U.S. Jan. 4, 2019).

97. 137 S. Ct. at 1757-60. *But see* Daniel J. Hemel & Lisa Larrimore Ouellette, *Public Perceptions of Government Speech*, 2017 SUP. CT. REV. 33, 71-72 (arguing that the Court's unanimous reasoning on this point misses the much more divided public perceptions of trademarks as government speech).

98. See *Tam*, 137 S. Ct. at 1757-58.

99. See *id.* at 1760 (limiting the Court's opinion on the First Amendment question to the determination that trademarks are not government speech, and not addressing whether the act of registration itself contains an expressive element).

100. See Hemel & Ouellette, *supra* note 97, at 33-34 (summarizing governments' abilities to take a side in debates over public controversies); see also Chon, *supra* note 62, at 2329-38 (discussing how marks certifying socially responsible production fit into the framework of the Lanham Act).

101. *Cf.* *Garcetti v. Ceballos*, 547 U.S. 410, 413, 426 (2006) (reaffirming the principle that firing a public employee for expression protected under First Amendment is unconstitutional).

102. See *Pleasant Grove City v. Summum*, 555 U.S. 460, 468 (2009) (“[G]overnment speech must comport with the Establishment Clause.”).

103. See Fromer, *supra* note †, at 125 (citing OU, *supra* note 36).

reluctance in its Establishment Clause jurisprudence to allow states to promote preferred religious standards or behavior.¹⁰⁴

By the same token, the government speech doctrine is also not a license to violate the Equal Protection Clause.¹⁰⁵ Just as with other sorts of state action, state certification marks that discriminate on the basis of race, sex, or another protected class would likely face heightened scrutiny.¹⁰⁶ Although most certification marks are general enough to avoid any difficulties on this front, some, like Montana's NATIVE AMERICAN MADE IN MONTANA USA,¹⁰⁷ could conceivably face challenges.

B. States Versus the Lanham Act

The Lanham Act imposes numerous restrictions on states as certifiers. Under section 14(5) of the Act, a certifier cannot fail to maintain control of a certification mark, use the mark as anything other than a certification mark, produce goods the mark certifies, or discriminately refuse to certify goods meeting the mark's standards.¹⁰⁸ Nonetheless, there exist multiple policy contexts in which states rationally might wish to deviate from section 14(5)'s restrictions. These fall, broadly, into two different sets of concerns. The first of these includes cases where a certifier refuses to certify qualifying goods, which contravenes section 14(5)(D), or where a certifier certifies goods that clearly fall outside a mark's scope (oftentimes because the mark disclaims them), which likely contravenes section 14(5)(A). The second includes cases where states participate in the markets that their goods certify.

1. Discrimination and expansion

Amongst instances of certifiers discriminatorily shrinking or impermissibly expanding the use of their marks, cases of discrimination are likely to be more common. Such cases can arise from, *inter alia*, states' desire to comply with federal law; environmental emergencies; and shifting attitudes about health, welfare, and morals. Cases of expansion are more likely to result from political circumstances—for example, where a state restricts the goods a mark

104. *Cf.* *Town of Greece v. Galloway*, 134 S. Ct. 1811, 1822-23 (2014) (summarizing multiple cases where the Court has restricted states from interfering with the content of prayer).

105. *See* U.S. CONST. amend. XIV, § 1.

106. *See* *Mass. Bd. of Ret. v. Murgia*, 427 U.S. 307, 312 (1976) (per curiam) (“[E]qual protection analysis requires strict scrutiny . . . when the classification . . . operates to the peculiar disadvantage of a suspect class.”).

107. *See* Registration No. 3,949,811 (requiring that “an officially enrolled member of a Montana Indian tribe residing in Montana” must have made or substantially transformed the product certified).

108. *See* 15 U.S.C. § 1064(5) (2017).

can certify when it initially registers that mark, but then those circumstances change and the state becomes more tolerant of the goods the mark disclaims. States' limited ability to amend their certification statements worsens both situations, as does the relative unviability of establishing new certification marks instead.

As Alaska's experience with the ALASKA GROWN mark indicates,¹⁰⁹ policy imperatives will sometimes lead a state to refuse to certify goods otherwise meeting its standards. In the case of the ALASKA GROWN mark, the policy imperative was the conflict between the State and the federal government over marijuana legalization—and in particular, the State's desire to avoid losing federal funds for its Division of Agriculture.¹¹⁰ While Alaska presents the most salient example, these state-federal conflicts could emerge in other states that legalize marijuana even though the drug remains illegal at the federal level, as well as for other goods and services subject to differing state and federal regulatory schemes.¹¹¹

While the need to comply with federal law presents one set of policy concerns that could lead states to refuse to certify goods, there are additional policy-based reasons for states to do so. Public health, welfare, and morals might be such reasons. As an example, many states' certification programs extend to the states' alcoholic beverages.¹¹² However, there is a growing conversation among scientists, doctors, and public health officials about alcohol posing greater health dangers than the medical community had previously thought.¹¹³ In the face of this literature, some governments have taken steps to reduce their citizens' alcohol consumption, including revising

109. See *supra* notes 8-16 and accompanying text.

110. See Andrews, *supra* note 10.

111. If, for instance, a safe injection facility was legal under state law and otherwise eligible for a state's certification mark, the state might be hesitant about applying the certification to an organization that was prohibited at the federal level. See Leo Beletsky et al., *The Law (and Politics) of Safe Injection Facilities in the United States*, 98 AM. J. PUB. HEALTH 231, 234 (2008) (describing the barriers to safe injection facilities under federal law).

112. See DEP'T OF COMMERCE, CMTY. & ECON. DEV., STATE OF ALASKA, MADE IN ALASKA: FOOD AND BEVERAGE DIRECTORY 3, 15-16, 25-29, 64 (2018), <https://perma.cc/HL8D-2EG4> (listing numerous craft breweries and distilleries).

113. See generally Angela M. Wood et al., *Risk Thresholds for Alcohol Consumption: Combined Analysis of Individual-Participant Data for 599,912 Current Drinkers in 83 Prospective Studies*, 391 LANCET 1513, 1520-21 (2018) (describing the health dangers of even small amounts of alcohol); Julia Belluz, *It's Time to Rethink How Much Booze May Be Too Much*, VOX (updated Dec. 19, 2018, 9:58 AM EST), <https://perma.cc/5XQE-E6L3> (describing researchers' reactions to Wood and colleagues' article).

public health recommendations on how much people can healthily drink.¹¹⁴ It would be understandable if a state wanted to avoid incongruously encouraging its citizens to drink less, but at the same time encouraging consumers—including those within the state—to buy from local breweries and distillers. Indeed, this same motive could extend even to more controversial domains. A state might seek, for instance, to encourage certain labor practices or ethical sourcing among local producers, and therefore decline to license certification marks to businesses failing to meet such standards.

The counterpoint to a state's refusal to certify goods meeting a mark's standards is a license to apply a certification mark beyond the certification statement's scope. In general, most states' certification marks have broad enough standards that the odds a state will expand a mark beyond its permitted scope are low.¹¹⁵ However, marks like COLORADO COMPANY and its associated branding—which were created during political circumstances in which marijuana was more strongly disfavored than it is today—pose the risk that past political factors constraining a certification mark become irrelevant, even as the legal strictures of the mark do not, thus leaving the mark irrationally limited.¹¹⁶ Moreover, additional problems might arise if, anticipating the potential difficulty in refraining from certifying goods that meet a standard, states choose to write such narrow certification statements that the general trend of certification statements being broad enough to encompass most goods ceases.

Both discrimination and expansion cases raise a question: Instead of violating the terms of a mark's certification statement, could a state amend the statement instead? The Lanham Act allows registrants to amend trademarks, a provision the PTO has interpreted to extend to certification statements.¹¹⁷ But those amendments cannot “alter materially the character of the mark.”¹¹⁸ The TMEP provides little further guidance as to what exactly constitutes a material alteration,¹¹⁹ and the manual's language on material alterations largely contemplates marks as images or words.¹²⁰ The PTO's language suggests the general standard for materiality is whether a change to a mark “would require republication in order to present the mark fairly for purposes

114. See Sarah Boseley, *Extra Glass of Wine a Day “Will Shorten Your Life by 30 Minutes,”* GUARDIAN (Apr. 13, 2018, 2:09 AM EDT), <https://perma.cc/3QXK-Y6G7> (discussing the United Kingdom in particular).

115. See, e.g., SWISS MADE, *supra* note 76 (“The certification mark, as used by persons authorized by the certifier, certifies geographical origin of the goods in Switzerland.”).

116. See *supra* notes 17-31 and accompanying text.

117. See 15 U.S.C. § 1057(e) (2017); 37 C.F.R. § 2.173(f) (2018); TMEP, *supra* note 49, § 1609.12.

118. 15 U.S.C. § 1057(e).

119. See TMEP, *supra* note 49, § 1609.12.

120. See *id.* § 1609.02.

of opposition.”¹²¹ Since one purpose of publication is to put parties on notice about potential changes to their rights,¹²² it is likely that any change to a certification statement modifying which producers had the right to use a certification mark would be a similarly significant modification to a third party’s rights as to be material, even though the affected parties would generally be producers rather than other certifiers. As a result, though states might be able to make grammatical or stylistic modifications to their marks’ certification statements, they likely cannot make amendments that would actually modify which goods a mark certifies.

It is, of course, true that states could develop new certification marks for products they had specifically excluded from a certification program at the time of its creation. But this alternative is suboptimal, inasmuch as it can lead to a proliferation of different certification marks for goods that all meet the same standard—thus defeating the purpose of a certification mark to convey a uniform piece of information with a uniform symbol. As such, denying certification to goods that meet a mark’s standards, and its opposite—granting certification to goods that do not—both are instances in which states’ policies run into conflict with the Lanham Act’s restrictive requirements.

2. Participation in the marketplace

Although states’ policy objectives present one source of conflict with the Lanham Act, another arises from the diverse roles states tend to play within their own economies. In particular, states risk violating the Lanham Act’s “anti-use-by-owner” rule.¹²³ While state departments of commerce and agriculture act as neutral certifiers, other state agencies frequently participate in the marketplace for goods that the state certifies. This participation typically occurs when one state agency (a department of commerce, for example) operates a fairly broad certification program, while another state agency having nothing to do with the former (such as a state university) implements a narrow initiative where it participates in a commercial marketplace. Although such cases can and do occur, they are distinct from the commercial self-dealing that the anti-use-by-owner rule appears designed to prevent.

As an example, the Idaho State Department of Agriculture applies the IDAHO PREFERRED mark to foods other than potatoes grown in the state.¹²⁴

121. *Id.* § 1609.02(a).

122. *See id.*

123. *See* 15 U.S.C. § 1064(5)(B) (prohibiting certifiers from “engag[ing] in the production or marketing of any goods or services to which the certification mark is applied”); TMEP, *supra* note 49, § 1303.01 (providing the moniker “anti-use-by-owner”).

124. Registration No. 3,107,838.

The public University of Idaho's College of Agricultural and Life Sciences runs Vandal Brand Meats, which retails meat products that the university's agriculture programs produce.¹²⁵ Vandal's meats, as Idaho agricultural products, receive the IDAHO PREFERRED certification.¹²⁶ Similarly, even though Alaska's Department of Commerce maintains the MADE IN ALASKA mark, the state-owned Alaska Housing Finance Corporation (AHFC) uses the mark on its informational materials.¹²⁷ These are only a couple of examples, but they nonetheless illustrate the way in which disparate arms of a single state's government can find themselves on different sides of the certification relationship. Since courts and agencies have generally construed the Lanham Act's anti-use-by-owner rule to prevent a mark's owner from certifying any of its own goods or services (aside from using the mark to advertise it), such relationships likely violate the rule.¹²⁸ All the same, they illustrate the unique challenge that states and other governments face under the Lanham Act relative to private actors. Considering the instances in which states' public policies and the Lanham Act have already come into conflict, the potential for future conflict given the Act's substantial impact on states' stakes in certification marks, and the general tension between state policy and the Act, it is natural to ask whether either the Act or the Constitution make any allowances for state policy to override rules that bar states from excluding products, expanding the scope of what a mark certifies, or marketing goods that receive the state's certification. This Note addresses this question in the next Part, and answers in the negative.

III. What Happens When State Policy and the Lanham Act Collide?

While there are multiple tensions between the Lanham Act and states' public policies, it is not immediately clear how those tensions resolve themselves in practice. The judicial work interpreting the Lanham Act's certification mark provisions has provided limited guidance, in part because of the low incentive to litigate cases against certifiers, as discussed above.¹²⁹ This

125. See *Vandal Brand Meats*, U. IDAHO, <https://perma.cc/HC6D-8NME> (archived Feb. 23, 2019).

126. Telephone Interview with representative of Vandal Brand Meats (Apr. 28, 2018).

127. See *Made in Alaska: Permit/Product Listings*, ST. ALASKA (2018), <https://perma.cc/LAL9-GD4X> (to access data, click "View the live page," then click "MIA Permit/Product List") (noting that the AHFC uses the mark for its "Handbook for homebuyer and education seminar").

128. See *Nat'l Bd. for Certification in Occupational Therapy, Inc. v. Am. Occupational Therapy Ass'n*, 24 F. Supp. 2d 494, 502 (D. Md. 1998); *In re Fla. Citrus Comm'n*, 160 U.S.P.Q. (BNA) 495, 497-99 (T.T.A.B. 1968).

129. See *supra* notes 57-58 and accompanying text.

lack of judicial guidance necessitates examining both the Lanham Act and the Constitution to examine what rights, if any, states might have to make public policy decisions that would otherwise contravene section 14(5). Examining the Act's text, structure, history, and purpose reveals that it at most only partially helps states. This partial aid to the states, however, protects states more than does the Constitution, which solidly supports the Act's certification provisions. This Part addresses each in turn.

A. Looking at the Lanham Act

The Lanham Act is only partially helpful to states. Although it provides little latitude to states on the question of discrimination and expansion, it may be able to give states more favorable treatment under the anti-use-by-owner rule. Because the case for greater leniency from the anti-use-by-owner rule comes from the statute's purpose in combination with its text, this Subpart begins with a look at the text of section 14(5) and the limited case law applying it to states, before turning to the Lanham Act's structure, legislative intent, and legislative purpose. This Subpart starts by considering the Lanham Act in the context of discrimination and expansion, and then briefly discusses the anti-use-by-owner rule.

In inspecting the Lanham Act, it is natural to start with the text of the statute itself.¹³⁰ Doing so is especially helpful given the underdevelopment of jurisprudence around the Act's certification mark provisions. Courts and the PTO have found few occasions to rule on the provisions in section 14(5), and most leading cases have dealt with private certifiers, rather than governments.¹³¹ Most cases dealing with state-owned certification marks have principally dealt with infringement questions similar to those present in other

130. See, e.g., *MCI Telecomms. Corp. v. Am. Tel. & Tel. Co.*, 512 U.S. 218, 224-29 (1994) (beginning with, and relying primarily upon, the text in interpreting a statute), *superseded by statute on other grounds*, Telecommunications Act of 1996, Pub. L. No. 104-104, § 401, 110 Stat. 56, 128 (codified as amended at 47 U.S.C. § 160(a) (2017)).

131. See *Midwest Plastic Fabricators, Inc. v. Underwriters Labs. Inc.*, 906 F.2d 1568, 1569-73 (Fed. Cir. 1990) (rejecting claims of use other than to certify and failure to control a mark by Underwriters Laboratories, a private corporation); *Swiss Watch Int'l, Inc. v. Fed'n of the Swiss Watch Indus.*, 101 U.S.P.Q.2d (BNA) 1731, 1734, 1741 (T.T.A.B. 2012) (rejecting a claim of discrimination by private, unincorporated association); see also *Maljack Prods., Inc. v. Motion Picture Ass'n of Am.*, 52 F.3d 373, 374, 376-77 (D.C. Cir. 1995) (allowing the plaintiff's claim against a private trade association certifier for discrimination to continue on breach of contract grounds). *But see In re Fla. Citrus Comm'n*, 160 U.S.P.Q. (BNA) at 496, 500 (denying a certification mark to a state agency at the initial registration stage).

trademark cases.¹³² Both PTO decisions to substantively apply section 14(5) to states analyzed the statute alongside the slightly different language included for certification mark registration in section 4.¹³³

As a purely textual matter, section 14(5) is silent on whether states should or should not receive any special leniency for their public policies under the Act. However, the Act's provision establishing certification marks in the first place allows "nations, States, [and] municipalities" to register certification marks in the same breath as it allows "persons . . . and the like" to do so.¹³⁴ At first glance, then, reading the Lanham Act's text together with its structure would seem to indicate that states are on equal legal footing with private entities when it comes to certification marks.¹³⁵ And indeed, this interpretation would be consistent with the decision of the Trademark Trial and Appeal Board (TTAB) in *In re Florida Citrus Commission*—one of two decisions directly applying section 14(5) to a state agency.¹³⁶ There, the Board considered the Florida Citrus Commission's request to register a certification mark for Florida orange juice that would read "The Real Thing: O.J. From Florida."¹³⁷ Unfortunately for the Commission, it had already registered an identical mark as a service mark (another specialized species of mark) to advertise its own regulatory services, and the PTO refused to register the Commission's new mark on the ground that it would violate the anti-use-by-owner rule for certification marks.¹³⁸ While much of the decision turned on whether section 14(5)'s broader language—arising in the context of a petition to cancel—could apply to *ex parte* proceedings with the PTO under section 4, the Board importantly gave no special consideration to the Florida Citrus Commission's status as a state agency.¹³⁹

Almost two decades later, in *In re University of Mississippi*, the University applied to register the emblem on its diploma seals as certifying that its

132. See, e.g., *Idaho Potato Comm'n v. M & M Produce Farm & Sales*, 335 F.3d 130, 131-32 (2d Cir. 2003) (describing a state agency seeking damages for unauthorized use of a mark); *Florida v. Real Juices, Inc.*, 330 F. Supp. 428, 429 (M.D. Fla. 1971) (describing a state agency seeking an injunction against an allegedly infringing branding).

133. See *In re Univ. of Miss.*, 1 U.S.P.Q.2d 1909 (T.T.A.B. 1987); *In re Fla. Citrus Comm'n*, 160 U.S.P.Q. (BNA) 495; see also 15 U.S.C. § 1054 (2017).

134. 15 U.S.C. § 1054.

135. Cf. *King v. Burwell*, 135 S. Ct. 2480, 2489 (2015) (suggesting that statutory interpretation should take place at the level of the statutory scheme, rather than isolated provisions).

136. 160 U.S.P.Q. (BNA) 495.

137. See *id.* at 495.

138. See *id.* at 496.

139. See *id.* at 497-99.

graduates had met various standards of skill and competence.¹⁴⁰ The TTAB was unpersuaded, and denied the University's application because it considered the proposed mark to in fact certify the University's own educational services.¹⁴¹ As with *In re Florida Citrus Commission*, the Board considered section 14 alongside section 4, and the University's role as a state agency did not factor into the Board's reasoning.

The TTAB's decisions are consistent with two more recent court of appeals decisions indirectly addressing how section 14(5) applies to the states. In *Idaho Potato Commission v. M & M Produce Farm & Sales*, the Idaho Potato Commission sued a potato distributor for certification mark infringement.¹⁴² The distributor counterclaimed that the Commission's marks should be canceled under section 14(5).¹⁴³ The Commission had previously licensed potato-related certification marks to the distributor with a term waiving the licensee's right to challenge the marks' validity, and so the Commission argued that the distributor was estopped from doing so.¹⁴⁴ The Second Circuit did not reach the merits of the defendant's claims, but did conclude—following patent doctrine—that the public interest in challenging invalid certification marks outweighed the licensor's claims to estoppel.¹⁴⁵ Then, in *Idaho Potato Commission v. G & T Terminal Packaging, Inc.*, the Ninth Circuit addressed a related challenge to the same license provisions and, agreeing with the Second Circuit's reasoning, held no-challenge provisions in certification mark licenses to be unenforceable.¹⁴⁶ And like the TTAB in *In re Florida Citrus Commission*, the court did so with an eye only to the general policies underlying certification marks, and without any special dispensation for the Commission as a state agency.¹⁴⁷

A closer look at the TTAB's two decisions, however, highlights a possible ambiguity about the nondiscrimination provisions in the Lanham Act. As the

140. See 1 U.S.P.Q.2d 1909, 1911 (T.T.A.B. 1987).

141. *Id.* at 1911-12. While the Board denied the application because the "applicant is not certifying the quality or characteristics of any goods or services of others," *id.* at 1911, it appears that the Board also took the University's licensing of the seal as evidence for this proposition, but it was not wholly clear as to whether that constituted an independent ground on which to deny certification, *see id.* at 1911-12.

142. See *Idaho Potato Comm'n v. M & M Produce Farm & Sales*, 335 F.3d 130, 132-33 (2d Cir. 2003).

143. *Id.* at 133.

144. See *id.* at 134-35.

145. See *id.* at 135, 137-39 (citing *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969)).

146. *Idaho Potato Comm'n v. G & T Terminal Packaging, Inc.*, 425 F.3d 708, 718 (9th Cir. 2005). Both cases involving the Idaho Potato Commission point to the policy of disfavoring licensee estoppel as a distinction between certification mark law and trademark law. See *id.* at 716-17; *M & M Produce*, 335 F.3d at 138.

147. See *G & T Terminal Packaging*, 425 F.3d at 718; *M & M Produce*, 335 F.3d at 137-39.

Board noted in *In re Florida Citrus Commission*, the Act addresses cancellation of certification marks in section 14(5), but defines certification marks and provides for registration (the issue before the Board in both decisions) in section 4. Section 4's language mentions that states may register certification marks when they "exercis[e] legitimate control over the use of the mark[]," except in cases where the mark falsely represents that the certifier "makes or sells the goods or performs the services . . . with which such mark is used."¹⁴⁸ However, section 4 lacks any language that would, like section 14(5)(D), require a certifier to apply a certification mark to *all* goods meeting the certification standard, regardless of maker.¹⁴⁹ Thus, while the Board in *In re Florida Citrus Commission* held—with the Board in *In re University of Mississippi* following—that the anti-use-by-owner rule extended to registration because section 4 is sufficiently close to section 14(5)(B) so as to parallel it,¹⁵⁰ there is no such language in which to ground a common rule between section 4 and section 14(5)(D). The distinction between section 14(5)(B) and section 14(5)(D) therefore opens multiple possibilities for interpretation. It may indicate that the Lanham Act considers practices (like discrimination) listed only in section 14(5) and without a section 4 analog¹⁵¹ as less central to the certification mark concept, and therefore potentially subordinate to competing policy objectives. Or, the distinction may simply indicate an oversight or compromise on Congress's part. Ultimately, this is a narrow potential ambiguity, and indeed, one that might not apply to every question that states face when their policies come in conflict with the Lanham Act's. But it nonetheless raises some questions about what exactly the Act means. To shed further light, it is thus helpful to broaden the interpretive funnel and examine Congress's intent and purpose in crafting these provisions of the Act.¹⁵²

Although there is fairly little direct evidence pointing to Congress's specific intent on the question of how tightly the Lanham Act's certification mark provisions would bind states, the debates preceding Congress's passage of

148. 15 U.S.C. § 1054 (2017).

149. *See id.* §§ 1054, 1064(5)(D).

150. *See In re Fla. Citrus Comm'n*, 160 U.S.P.Q. (BNA) 495, 497-500 (T.T.A.B. 1968) (comparing then-section 14(e)(2)—now section 14(5)(B)—with section 4); *see also In re Univ. of Miss.*, 1 U.S.P.Q.2d 1909, 1911-12 (T.T.A.B. 1987).

151. *Compare* 15 U.S.C. § 1064(5) (allowing cancellation of a certification mark if "the registrant . . . *discriminately* refuses to certify" (emphasis added)), *with id.* § 1054 (no analog).

152. *See* William N. Eskridge, Jr. & Philip P. Frickey, *Statutory Interpretation as Practical Reasoning*, 42 STAN. L. REV. 321, 353 (1990) (describing the widening set of sources for statutory interpretation as a "funnel of abstraction").

both an earlier bill and the Lanham Act itself provide some insight.¹⁵³ In 1938, Congress passed a bill Representative Fritz Lanham had introduced that would allow domestic applicants to register collective marks.¹⁵⁴ Comments from the congressional debate preceding the bill's passage show that the question of certification marks had come to Congress's attention. For example, in response to a question over whether the 1938 Act would deal with indications of origin that foreign governments placed on their goods,¹⁵⁵ Lanham offered that a future revision of trademark law (the modern Lanham Act) would address the issue.¹⁵⁶ While those comments distanced the 1938 Act from modern certification mark law, other remarks, including a letter from the lawyer who drafted the bill which was read into the record during the Senate debate, specifically indicated that under the bill, a state could license its seal to be used on products made in the state.¹⁵⁷ Thus, even though the debate over the 1938 Act does not settle the question over how governments would be treated as certifiers, it does show that Congress had begun to contemplate the issue.

The Lanham Act's legislative history raises more ambiguity about section 14(5)'s role in particular. As introduced, the bill that would become the Lanham Act contained language virtually identical to today's text allowing states to register certification marks,¹⁵⁸ but did not mention the restrictions on certification marks that would become section 14(5).¹⁵⁹ The bill passed the House without any such language, which the Senate inserted instead.¹⁶⁰ The Senate committee report acknowledged the new language,¹⁶¹ but vaguely described its purpose simply as having "the same ends in view" as amendments "clarifying and strengthening those features of the bill preventing or discouraging any improper use of trade-marks."¹⁶² Such language appears to indicate a remedial purpose to the provision, but left open how the provision

153. See Collective Trade-Marks Registration Act, Pub. L. No. 75-586, 52 Stat. 638 (1938), *superseded by* Lanham Act, Pub. L. No. 79-489, 60 Stat. 427 (1946) (codified as amended at 15 U.S.C. §§ 1051-1141n).

154. See H.R. 9996, 75th Cong. (1938). For more details on collective marks, see note 37 above.

155. See 83 CONG. REC. 5863 (1938) (statement of Rep. Sauthoff).

156. See *id.* (statement of Rep. Lanham) ("It is a matter with which we intend to deal in [a] revision.").

157. See *id.* at 7619 (statement of C.P. Carter).

158. See H.R. 1654, 79th Cong. § 4 (1945).

159. See *id.* § 14.

160. See S. REP. NO. 79-1333, at 1 (1946).

161. See *id.* at 2 ("Certification marks may be canceled on the additional grounds given, and may also be canceled by a Government department or agency on any of the grounds applicable.").

162. *Id.*

would apply to states. That vagueness continued to the Senate floor debate, conference report, and final House vote, none of which offered any substantive commentary on the amendment.¹⁶³ Taken together, these aspects of legislative history reaffirm the Lanham Act's intent to regulate states, but leave open how section 14(5) should interact with state policy. It is therefore helpful to examine how questions of state public policy fit into the Lanham Act's broader purpose.

Although the Lanham Act passed with language declaring Congress's goal of keeping trademarks safe from state interference,¹⁶⁴ it is wise to approach that language cautiously. The passage comes in a highly general statement of intent, and the Act's provision establishing certification marks contemplates that the rules regarding certification and trademarks can come apart.¹⁶⁵ Moreover, the Act's historical context is illuminative. At the time of the Lanham Act, Congress had been working under the impression that there was no federal law of unfair competition, and the Lanham Act was an attempt to wrest that body of law back from the states.¹⁶⁶ Indeed, the statutory context of the Lanham Act illustrates this understanding: The Act was designed to prevent commercial misconduct like fraud and counterfeiting, rather than to override state policy.¹⁶⁷

Furthermore, the Lanham Act's legislative history also suggests that Congress conceived of the Act—and section 14 in particular—as a procompetitive measure. The Senate report described adding the language that would become section 14(5) as a measure having “the same ends in view” as the rest of the Lanham Act,¹⁶⁸ which the rest of the report referred to as a tool that would “defeat monopoly by stimulating competition.”¹⁶⁹ The Senate's debate before adopting the conference report is even more revealing. The conference committee added a proviso to the bill stipulating that in addition to private parties who could petition to cancel a certification mark, the FTC could do the

163. See H.R. REP. NO. 79-2322, at 1-2, 4 (1946) (Conf. Rep.); 92 CONG. REC 7522-25 (1946) (agreeing to the conference report in the final House vote); *id.* at 6901-02 (debating the bill in the Senate).

164. See Lanham Act, Pub. L. No. 79-489, § 45, 60 Stat. 427, 443-44 (1946) (codified as amended at 15 U.S.C. § 1127 (2017)) (“The intent is . . . to protect registered marks used in [interstate] commerce from interference by State, or territorial legislation . . .”).

165. See *id.* § 4, 60 Stat. at 429 (codified as amended at 15 U.S.C. § 1054) (establishing registration for certification marks “[s]ubject to the provisions relating to the registration of trademarks, *so far as they are applicable*” (emphasis added)).

166. See Ethan Horwitz & Benjamin Levi, Essay, *Fifty Years of the Lanham Act: A Retrospective of Section 43(a)*, 7 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 59, 64 (1996); J. Thomas McCarthy, *Lanham Act Section 43(a): The Sleeping Giant Is Now Wide Awake*, LAW & CONTEMP. PROBS., Spring 1996, at 45, 48-49.

167. See § 45, 60 Stat. at 444.

168. S.REP. NO. 79-1333, at 2 (1946).

169. *Id.* at 3 (capitalization altered).

same.¹⁷⁰ In the debate prior to adopting the conference report, Senator Joseph O'Mahoney pointed to this provision as particularly illustrative of Congress's purpose in passing the Lanham Act to stop anticompetitive conduct.¹⁷¹ Based on this evidence—and as courts to consider the issue have concluded¹⁷²—Congress's procompetitive purpose is fairly clear.

That purpose's implications for the Lanham Act's control over states as certifiers are less clear. In general, certifiers can act anticompetitively by more favorably certifying their own goods if they participate in the marketplace for those goods, and by refusing to certify goods and helping some competitors in a marketplace exclude others.¹⁷³ But states do not squarely fit within this mold. First, antitrust laws generally exempt state action from their prohibitions,¹⁷⁴ suggesting that it is less obvious that the Lanham Act's procompetitive rationale applies.¹⁷⁵ Second, and more significantly, state policy decisions to advance public health, protect the environment, or comply with federal law are distinct from the commercial motives undergirding the anticompetitive conduct that antitrust laws prohibit.¹⁷⁶ As a result, states' more active role in the marketplace and less-commercial motives result in a situation where the purpose of the Lanham Act does not squarely address states' conduct. Given the lack of specific intent from Congress and the Act's text and structure, however, a purposive analysis shows that the Act's purpose may be at odds with its text—but does not clearly demonstrate that the statute provides any kind of exemption. As a result, purposivism is unlikely to ultimately prove a successful argument for states, and it remains worth examining whether the Constitution might give states any leniency from the Lanham Act's regulations.

Before turning to the constitutional question, it is worthwhile to briefly address one more statutory issue specific to a state's participation in a market that it certifies: whether it is possible to construe the anti-use-by-owner rule as applying to an individual agency rather than to the whole state government. In the *In re Florida Citrus Commission* decision, the TTAB acknowledged the Citrus Commission's role as a state agency and considered whether the Citrus

170. See H.R. REP. NO. 79-2322, at 2 (1946) (Conf. Rep.).

171. See 92 CONG. REC. 7873 (1946) (statement of Sen. O'Mahoney).

172. See *Idaho Potato Comm'n v. G & T Terminal Packaging, Inc.*, 425 F.3d 708, 716-17 (9th Cir. 2005); *Idaho Potato Comm'n v. M & M Produce Farm & Sales*, 335 F.3d 130, 138-39 (2d Cir. 2003).

173. See Fromer, *supra* note †, at 167-73.

174. See *Parker v. Brown*, 317 U.S. 341, 350-51 (1943).

175. While Congress did not explicitly import this view from antitrust law into the Lanham Act, to the extent that the state-action immunity doctrine reflects a principle about federal competition policy, it nonetheless may be instructive.

176. Of course, states' motives can be complicated. See *infra* Part IV.A.

Commission participated in the market it certified.¹⁷⁷ The TTAB did not, however, consider any other situations in which the State of Florida sold oranges, or any other actions by the State apart from those by the Citrus Commission.¹⁷⁸ While some courts resist affording a single agency decision great weight, it is worth noting that where Article III courts have considered certification mark suits involving state agencies, they have similarly focused their inquiries at the agency level.¹⁷⁹ At the same time, the Lanham Act provides no specifics on the level of state government at which to assess states as certification or trademark owners. Given this ambiguity, it is possible to read the Lanham Act as dealing with states at the agency-by-agency level, at least for the purposes of the anti-use-by-owner rule. Even though doing so is far from a solution to all of the restrictions that states face under the Act, it at least provides an easier solution for states whose agencies participate in markets where another agency acts as a certifier.

B. Constitutional Considerations

The Lanham Act's certification mark provisions have a solid constitutional basis in both the Commerce Clause and the First Amendment. While the Commerce Clause analysis applies to cases of discrimination and expansion as well as the anti-use-by-owner rule, the First Amendment analysis primarily deals just with cases of discrimination and expansion. Either way, Congress's authority to regulate certification marks is well established under the Commerce Clause, and states would have few avenues for a First Amendment challenge.

The Commerce Clause provides a strong foundation for most provisions of the Lanham Act, certification marks included. The Lanham Act evolved from a series of trademark statutes that Congress had been careful to restrict to international—and then interstate—commerce in the wake of the Supreme Court's *Trade-Mark Cases* decision restricting federal trademark law to Commerce Clause foundations.¹⁸⁰ Indeed, since the Lanham Act was passed, the

177. See 160 U.S.P.Q. (BNA) 495, 496-97 (T.T.A.B. 1968).

178. See *id.*

179. See, e.g., *Idaho Potato Comm'n v. M & M Produce Farm & Sales*, 335 F.3d 130, 131-32 (2d Cir. 2003) (focusing on an Idaho state agency in an infringement suit over unlicensed use of a mark); *Florida v. Real Juices, Inc.*, 330 F. Supp. 428, 429 (M.D. Fla. 1971) (focusing on Florida's Department of Citrus in an infringement suit over similarly named branding).

180. See 100 U.S. 82, 93-97 (1879) (rejecting an Intellectual Property Clause argument for the constitutionality of the 1870 and 1876 trademark laws, and suggesting conditions for the laws' constitutionality based on the Commerce Clause); see also U.S. CONST. art. I, § 1, cl. 8; Beverly W. Pattishall, *The Constitutional Foundations of American Trademark Law*, 78 TRADEMARK REP. 456, 464-67 (1988). In suggesting a Commerce Clause framework for trademark law, the Court implicitly rejected the reasoning in *Leidersdorf v. Flint*,
footnote continued on next page

Supreme Court has never explicitly questioned its constitutionality under the Commerce Clause.¹⁸¹ Admittedly, the Court's framework in *National League of Cities v. Usery*, which would restrict Congress's Commerce Clause authority in cases that dealt with the states' "integral governmental functions," may have provided an avenue for states' public policy decisions that exist independent of a commercial motive.¹⁸² However, the Supreme Court's explicit rejection of that doctrine in *Garcia v. San Antonio Metropolitan Transit Authority* points strongly against an exemption to an otherwise legitimate exercise of Congress's Commerce Clause power without direct congressional action.¹⁸³ Moreover, given lower courts' tendency to treat governments on equal terms as other trademark holders,¹⁸⁴ and the Supreme Court's recognition of the importance of national uniformity in trademark law,¹⁸⁵ there is likely little judicial appetite for reconsidering the question. As a Commerce Clause matter, the Lanham Act's restrictions on certifiers squarely bind the states.

The Lanham Act's restrictions on states also sit on solid First Amendment foundations. Like trademarks, certification marks are unlikely to constitute speech by the federal government; rather, they are ascribed to the registrant.¹⁸⁶ For state-owned certification marks, the speaker therefore becomes the registering state. Although states can freely express their own viewpoints as government speech,¹⁸⁷ this principle does not imply that states ever have

which declared that the Intellectual Property Clause was the only part of the Constitution that could possibly give Congress the authority to regulate trademarks. *See* 15 F. Cas. 260, 261 (C.C.E.D. Wis. 1878) (No. 8,219). *But see* *Kiss Catalog, Ltd. v. Passport Int'l Prods., Inc.*, 405 F. Supp. 2d 1169, 1174-75 (C.D. Cal. 2005) (declaring that in the *Trade-Mark Cases*, the Supreme Court noted that trademark laws "could nevertheless pass muster under the Commerce Clause—if the independent requirements of that clause were met").

181. *See, e.g.*, *Matal v. Tam*, 137 S. Ct. 1744, 1751-52 (2017) (recounting the history of the Lanham Act); *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 1299-300 (2015) (similar); *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 34-37 (2003) (clarifying that the Lanham Act does not provide copyright-style protections); *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 197-98 (1985) (describing the Lanham Act as a tool for ensuring national uniformity in trademark law).

182. *See* 426 U.S. 833, 855 (1976), *overruled by* *Garcia v. San Antonio Metro. Transit Auth.*, 469 U.S. 528 (1985).

183. *See* 469 U.S. at 531.

184. *See, e.g.*, *Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 475-78 (5th Cir. 2008) (giving no special consideration to state ownership of trademarks); *see also supra* text accompanying note 180.

185. *See Tam*, 137 S. Ct. at 1751-52.

186. *See id.* at 1759-60; *supra* notes 93-100 and accompanying text.

187. *See Pleasant Grove City v. Summum*, 555 U.S. 460, 467-68 (2009).

greater latitude to speak than do private parties.¹⁸⁸ As a result, a state seeking either to decline to certify a product or certify a product outside the scope of its mark's certification statement would, at best, be on the same footing as any other party challenging the certification restrictions on First Amendment grounds. Thus, any such challenge would face the practical difficulty of potentially undoing the whole of certification mark law. But that challenge would also face significant doctrinal hurdles.

A state or private plaintiff might try to challenge the Lanham Act's rule against refusals to certify as a law that compels speech. After all, the Court's decision in *Tam* does recognize marks as speech deserving First Amendment protection,¹⁸⁹ and the Supreme Court in *Wooley v. Maynard* suggested that the First Amendment is as much a right to refrain from speaking as it is a right to affirmatively speak.¹⁹⁰ However, in *Rumsfeld v. Forum for Academic & Institutional Rights, Inc. (FAIR)*, the Court upheld a law that conditioned universities' receipt of federal funds on a requirement that institutions provide equal access to military recruiters.¹⁹¹ As in *FAIR*, the Lanham Act does not dictate the content of certifiers' speech, and only requires certifiers to speak pursuant to a voluntary federal program.¹⁹² Insofar as it differs from *FAIR*, the Lanham Act is even more permissive to speakers. After all, certifiers can choose which sorts of producers they want to exclude before they even register a mark,¹⁹³ and the PTO will not investigate whether a certification's standards are discriminatory at the initial registration stage.¹⁹⁴ Thus, the Lanham Act's restrictions on certifiers likely pass First Amendment muster.

So too for the Lanham Act's rules prohibiting a certifier from certifying products beyond a mark's scope. Although these might incidentally restrict—rather than compel—speech, these rules also function as a conduct-based regulation, namely, that certifiers must maintain control over the use of their marks. Restrictions on the use of a mark beyond the scope of a certification statement would likely pass constitutional muster under the Supreme Court's test announced in *United States v. O'Brien*.¹⁹⁵ *O'Brien* allowed restrictions on expressive conduct when those restrictions are pursuant to an otherwise constitutional exercise of government power, the restrictions further a

188. On the contrary, states' expressive latitude—such as on matters of religion—typically ratchets down, rather than up. *See id.* at 468-69.

189. *See Tam*, 137 S. Ct. at 1763-65.

190. *See* 430 U.S. 705, 714 (1977).

191. *See* 547 U.S. 47, 60 (2006).

192. *See id.* at 62.

193. *See supra* notes 93-107 and accompanying text.

194. *See* TMEP, *supra* note 49, § 1306.04(e).

195. *See* 391 U.S. 367, 376-77 (1968).

substantial government interest unrelated to the suppression of speech, and incidental restrictions of First Amendment freedoms are no greater than necessary.¹⁹⁶ While the Supreme Court has not applied this test specifically to certification marks, the commercial regulation in the Lanham Act is otherwise constitutional under the Commerce Clause, and preventing consumer confusion likely constitutes an important government interest¹⁹⁷—one unrelated to suppressing speech. Moreover, given the constitutionality of private suits to enjoin unauthorized trademark use,¹⁹⁸ as well as restrictions on alienating a mark through naked licensing,¹⁹⁹ a requirement that certifiers ensure that their marks continue to certify what they mean to certify—on pain of cancellation—means the Lanham Act’s rules likely are no more restrictive than necessary. Thus, the First Amendment also provides little hope for states seeking to deviate from the Lanham Act’s terms.²⁰⁰

Together, the narrow room for states to pursue any statutory or constitutional challenges to the law means the Lanham Act’s strictures on certifiers are difficult to avoid. In combination with the prohibition on material alterations

196. *Id.*

197. *See supra* notes 180-85 and accompanying text (discussing the constitutionality of the Lanham Act under the Commerce Clause); *cf. Zauderer v. Office of Disciplinary Counsel of the Supreme Court of Ohio*, 471 U.S. 626, 638 (1985) (“The States and the Federal Government are free to prevent the dissemination of commercial speech that is false, deceptive, or misleading . . .”). Judge Reyna’s dissent in *In re Tam* summarized several Supreme Court cases to arrive at the proposition that the Court had recognized an important government interest in ensuring the orderly flow of commerce that could justify intermediate scrutiny. *See* 808 F.3d 1321, 1379-81 (Fed. Cir. 2015) (en banc) (Reyna, J., dissenting), *aff’d sub nom. Matal v. Tam*, 137 S. Ct. 1744 (2017). When the Supreme Court considered the case, Justice Alito’s opinion rejected Judge Reyna’s dissent, but did so on the grounds that the Lanham Act’s disparagement clause was not narrowly drawn to bar discriminatory trademarks. *See Tam*, 137 S. Ct. at 1764-65 (plurality opinion). While this is, of course, not equivalent to the Court directly endorsing an “orderly flow of commerce” interest that can preclude speech, it nonetheless hints at a willingness to accept some kind of speech-curbing interest in trademark law.

198. *See S.F. Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522, 536-40 (1987) (favoring trademark rights over a First Amendment argument). But in a commercial speech context, this reasoning was later called into question by some arguments in *Tam*. *See* 137 S. Ct. at 1754 (noting that the Federal Circuit had rejected the notion that trademarks are commercial speech), *id.* at 1763-64 (plurality opinion) (rejecting the need to address the question of whether trademarks are commercial speech); *see also Rogers v. Grimaldi*, 875 F.2d 994, 998-99 (2d Cir. 1989) (recognizing the need to balance First Amendment and Lanham Act interests).

199. *See, e.g., FreecycleSunnyvale v. Freecycle Network*, 626 F.3d 509, 515-16 (9th Cir. 2010) (accepting the impropriety of naked licensing without questioning the constitutionality of the issue).

200. Under the same analysis, the anti-use-by-owner rule is even more clearly a regulation of conduct, rather than of speech.

to a certification statement,²⁰¹ states must also continue administering certification marks under the terms by which they apply for and register such marks. That position gives states a Hobson's choice. On one hand, states can opt for certification statements that embody broad and ill-defined standards. If they do so, they risk creating uncertainty for producers and generating legal challenges to states' marks. Moreover, overly vague standards for a mark could cause the mark to convey less information to consumers.²⁰² On the other hand, states can follow Colorado's model and adopt highly specific standards,²⁰³ but in doing so they sacrifice flexibility and similarly reduce the amount of information available to consumers through making marks underinclusive. Attempting to counter this effect by establishing new certification marks would fragment marks' informational function in the marketplace, making certification marks—old and new—less distinctive and effective.²⁰⁴ Given these difficulties, it is natural to ask whether the Lanham Act's certification rules should in fact bind states, and if not, what constitutes the appropriate path forward.

IV. What to Do with the Lanham Act?

Courts, agencies, and Congress should take steps to give states greater latitude as certifiers under the Lanham Act. As it stands now, the restrictions on certifiers conflict with legitimate state public policy interests. At the same time, states are less likely to monopolistically abuse their certification programs than are businesses and nonprofit organizations that operate in the private sector. Because states' interests that conflict with the Lanham Act are not implicated by the Act's actual purpose, state governments could better serve their citizens if institutions with the power to do so took steps to give states more room for policymaking. This Part turns first to the reasons why states should receive more lenient treatment under the Lanham Act, and then to potential paths forward.

201. See *supra* text accompanying notes 118-23.

202. While members of the public might not always have a high degree of knowledge about every element of what a mark certifies, some marks—such as those rating films—become reasonably well known and are capable of creating fairly consistent expectations of what they certify, even if the average consumer is not aware of all their technicalities. See Nielsen, Parents Ratings Advisory Study—2015, at 3 (2015), <https://perma.cc/8R5G-RQZJ> (“Almost all parents are familiar with the [Nielsen] rating system and find it helpful.”).

203. See COLORADO COMPANY CO USA, *supra* note 21; see also *supra* notes 17-31 and accompanying text.

204. For a discussion of why developing new certification marks is a suboptimal option for states, see Part II.B.1 above.

A. The Politics of Public Policy

States have legitimate reasons for wanting to behave differently from private certifiers. When states undertake actions that potentially violate their certification-related duties under the Lanham Act, they are more likely to do so for policy-related reasons, rather than anticompetitive ones.²⁰⁵ Because of these differences between states and private certifiers, the restrictions on certifiers as applied to states restrict state action for little purpose. Some private certifiers might have a mission related directly to their certifying function,²⁰⁶ while others are businesses that happen to engage in certification as part of a commercial portfolio.²⁰⁷ And while individual state agencies might have profiles similar to those of private certifiers, state governments themselves operate with a much broader mandate and are accountable for balancing a comprehensive range of policy considerations on behalf of many constituents. Moreover, state governments operate with substantially more checks on misbehavior than do private certifiers,²⁰⁸ again ensuring that even in cases where private interests seek to capture processes where states deviate from the Lanham Act's rules for certifiers, it is easier to hold state governments responsible.

Restricting states from pursuing their policy objectives in situations that put them at odds with the Lanham Act has further negative consequences. Doing so places the onus on states to anticipate changes in circumstances that might alter the public policy rationales for certification policies at the time states craft their certification standards, and creates potential uncertainty over whether noncertifying state agencies will run afoul of the anti-use-by-owner rule. The natural responses to this problem—vagueness or extreme specificity—create new challenges, and ill serve states, certifiers, and consumers.²⁰⁹

The obvious reply to these concerns is that even when states are certifiers, section 14(5) of the Lanham Act is still useful. In particular, one might worry that state legislatures and agencies remain vulnerable to regulatory capture and

205. See *supra* notes 173-76 and accompanying text.

206. See, e.g., *Int'l Info. Sys. Sec. Certification Consortium, Inc. v. Sec. Univ., LLC*, 823 F.3d 153, 156 (2d Cir. 2016) (describing the International Information Systems Security Certification Consortium as “a non-profit organization that was formed in 1989 to develop standards for the information security industry”).

207. See, e.g., *In re Monsanto Co.*, 201 U.S.P.Q. (BNA) 864, 870-71 (T.T.A.B. 1978) (describing Monsanto's attempts to register a certification mark for products that it manufactured and sold in the course of its business).

208. See *infra* notes 232-34 and accompanying text.

209. See Fromer, *supra* note †, at 158-67 (discussing the dangers of vague certification standards); *supra* notes 17-31 and accompanying text (discussing a risk posed by overly specific certification marks).

shifting politics that could create problems of their own.²¹⁰ Capture, for instance, might lead a state to concoct a policy rationale for modifying its certification policies to favor a single producer or class of producers. Similarly, shifting political preferences could undermine the stability of certification standards over time, and so make certification marks less useful tools for conveying information.²¹¹

Despite these concerns about external influence, state governments' accountability and accessibility allow them to act as particularly fair certifiers. An agency that participates in a market might, absent influence from other arms of state government, act like a private business. And admittedly, state governments and agencies experience regulatory capture and can fall victim to influence peddling.²¹² The legal battle over the MELTON MOWBRAY geographic indicator for meat pies in the United Kingdom demonstrates how this can occur with legal instruments similar to certification marks.²¹³ When some British producers sought to register a geographic indicator for pies from the Melton Mowbray area with the British government (to be approved by the European Union), the proposed geographic scope of the designation left out one of the largest producers of meat pies that used the name.²¹⁴ The excluded producer, Northern Foods, then argued that the same association had been a front for the largest producer within the proposed geographic region.²¹⁵ Although the litigation ultimately ended without a full resolution,²¹⁶ the case nonetheless illustrates the potential for individual producers to try to influence the creation of certification marks—and shows how encouraging a government agency to deny certification to producers who might qualify might also be in a company's interest.

210. See Tracey M. Roberts, *The Rise of Rule Four Institutions: Voluntary Standards, Certification and Labeling Systems*, 40 *ECOLOGY L.Q.* 107, 139-43 (2013) (describing the relative risk of government capture in government-run certification systems compared to private ones). For a summary of theories of regulatory capture, see Jean-Jacques Laffont & Jean Tirole, *The Politics of Government Decision-Making: A Theory of Regulatory Capture*, 106 *Q.J. ECON.* 1089, 1089-92 (1991).

211. For instance, even if Colorado were to change its attitudes on certifying marijuana products during one administration, *see supra* text accompanying notes 22-32, a shift in political attitudes or party control could lead policymakers to want to reverse course.

212. See, e.g., Nicholas Kusnetz, *11 States Flunk Investigation into Integrity of State Government*, *PUB. RADIO INT'L* (Nov. 9, 2015, 11:15 AM EST), <https://perma.cc/9MJK-BZJA> (describing various lobbying and private influence efforts, and the inefficacy of many state anticorruption laws).

213. See Matthew J. Rippon, *Traditional Foods, Territorial Boundaries and the TRIPS Agreement: The Case of the Melton Mowbray Pork Pie*, 16 *J. WORLD INTELL. PROP.* 262, 279-87 (2013).

214. *Id.* at 279.

215. *Id.* at 282-84.

216. See *id.* at 286.

Still, several factors make states more resistant to capture than their private-sector counterparts. First, it is worth noting that many state certification programs can trace their origins to the influence of businesses and trade groups.²¹⁷ In itself, this phenomenon is not terribly distinct from private certification programs, many of which also operate at industry groups' behest.²¹⁸ For this reason, however, private certifiers oftentimes rely on either fees or donations from the parties they certify for funding.²¹⁹ As a result, private certifiers are sometimes vulnerable to capture from the leading producers in an industry, who tend to be those certifiers' greatest financial supporters.²²⁰ While some state agencies collect fees from the producers they certify,²²¹ public agencies are backed by the apparatus of state and federal funding.²²²

As a consequence of these arrangements, though a few state certifiers may be in no better position than their private-sector counterparts, many other state certifiers are better positioned when it comes to financial—and plausibly, decisional—independence from the industries they certify. And in the case of the MELTON MOWBRAY meat pies, the fact that the producers needed a public agency to approve their application for a geographic indication and

217. See, e.g., *Idaho Potato Commission Celebrates 70 Years*, SPUDMAN (July-Aug. 2007), <https://perma.cc/R39N-JDUT> (discussing the role of growers in creating the Potato Commission). The existence of marks like GROWN IN IDAHO that specifically pertain to potatoes, see GROWN IN IDAHO, *supra* note 72, as opposed to marks like IDAHO PREFERRED that certify all other agricultural products from the state, see IDAHO PREFERRED, *supra* note 124, speaks to the relative power of single industries in promoting their interests. This does not mean, however, that such programs favor any particular business in an industry relative to its competitors.

218. The certification marks that the Motion Picture Association of America (MPAA) uses to rate films are a prototypical example of this phenomenon. See, e.g., PG-13, Registration No. 1,337,409; see also Fromer, *supra* note †, at 140 & n.98.

219. See Fromer, *supra* note †, at 140-45 (discussing the MPAA as a private certifier and mentioning filmmakers' concerns about bias toward studios that are major funders); *id.* at 153-57 (discussing fees as one major revenue source for certifiers); Ted Johnson, *MPAA Reports a Slight Surplus for 2014*, VARIETY (Nov. 17, 2015, 5:50 PM PT), <https://perma.cc/Y3BJ-XTU8> (discussing the portion of the MPAA's revenue derived from its rating service).

220. See Fromer, *supra* note †, at 155-57.

221. See, e.g., Dep't of Commerce, Cmty. & Econ. Dev., *Made in Alaska: Initial Application 1* (2016), <https://perma.cc/7F8P-JPDG> ("The annual permit fee for a [Made in Alaska] permit is \$25.00 per product line or a maximum of \$75.00 per permit holder.").

222. For a discussion of this phenomenon specifically in the context of a state agency administering certification marks, see, for example, DEP'T OF NAT. RES., STATE OF ALASKA: FY2018 GOVERNOR'S OPERATING BUDGET 6 (2016), <https://perma.cc/AM23-MJMK> (reporting the Alaska Division of Agriculture's funding sources). For a discussion of federal aid to state and local governments more broadly, see U.S. CENSUS BUREAU, FEDERAL AID TO STATES FOR FISCAL YEAR 2010 (2011), <https://perma.cc/HT8R-S296>.

forward it to the European Union, as well as the fact that extensive litigation ensued, indicates that a public process of creating and administering a geographic indicator is still more open to accountability than if the industry group were simply able to register a certification mark and administer it without public scrutiny.²²³ The result is that state-administered certification marks are less likely to be abused for the anticompetitive purposes that Congress feared when it passed the Lanham Act in 1946.²²⁴

State certification programs pair their economic checks against corruption and capture with greater political and legal accountability to both consumers and producers. It is, of course, possible that changing political sentiments or policy judgments among elected officials and the public could lead a state to enact and repeal policies in conflict with the Lanham Act, and that these policies could vary with different political parties' control of the state's government.²²⁵ This is not necessarily a bad thing. Policy judgments and laws should respond to public sentiment in a democracy, and the views of millions of citizens are liable to change over time. To the extent state certification programs' existence reflects the initial policy judgment that a state should certify certain goods, it is reasonable for trademark law not to require that a state's politics at one point in time foreclose the possibility of change later. Moreover, with politics comes accountability. With few exceptions,²²⁶ private certifiers tend to avoid intense public scrutiny. Although news reporting on state governments has suffered in recent years,²²⁷ reporters do cover state political and agency decisions.²²⁸ This scrutiny provides some external accountability for certifiers otherwise lacking in the private sector, and a decision to certify or not certify goods that smells of favoritism or political capture could become a potential political liability for the legislators or agency heads responsible.

223. See Rippon, *supra* note 213, at 281.

224. See *supra* notes 168-71 and accompanying text.

225. Colorado provides one example of how political circumstances are liable to change in a way that makes the restrictions in a certification mark somewhat obsolete. See *supra* notes 17-31 and accompanying text.

226. See, e.g., Brooks Barnes, *Does Hollywood Need a PG-15 Rating?*, N.Y. TIMES (May 14, 2018), <https://perma.cc/LN37-QDZP>.

227. See Katerina Eva Matsa & Jan Lauren Boyles, *America's Shifting Statehouse Press: Can New Players Compensate for Lost Legacy Reporters?*, PEW RES. CTR. (July 10, 2014), <https://perma.cc/5BSK-LCH6> (reporting that newspapers—the main source of coverage for statehouse news—lost 35% of their statehouse reporters between 2003 and 2014, a percentage “slightly higher than the decline in newspaper newsroom staffing overall”).

228. See *id.*; see also, e.g., Andrews, *supra* note 1; Press Release, The N.Y. Times Co., The New York Times Adds to Investigative Muscle with Three New Hires (Mar. 16, 2017), <https://perma.cc/ZR4U-8K6M> (describing the hiring of new staff for state and local investigative reporting).

While the greater transparency associated with government processes discourages states from misbehaving as certifiers on pain of political consequences, state certification programs also provide extra recourse for dissatisfied parties. To begin with, many programs allow producers to appeal from an agency's decision not to certify that producer's products.²²⁹ As with some private certifiers' appeal processes,²³⁰ the Lanham Act does not mandate that certifiers provide appeals.²³¹ However, administrative law frequently allows internal review of adverse agency decisions, and as a practical matter, state certification programs are therefore more likely to feature these protections than are their private counterparts.²³² Moreover, state administrative law also typically allows aggrieved parties to subject an agency's actions to judicial review.²³³ Thus, to the extent that an agency might abuse any extra latitude afforded to states under the Lanham Act, producers upset at being denied a certification or at seeing a certification diluted would likely have a cause of action against the agency that might not exist against private certifiers.²³⁴ And even though these political and legal instruments are particularly powerful, it is worth remembering that even the standard provisions of section 14(5) still provide some recourse for improper certification decisions—even if states have more freedom about how to make those decisions.²³⁵ Given these tools for ensuring that states' certification decisions do not become abusive, it is thus worth considering how, exactly, states might gain more freedom as certifiers under the Lanham Act.

229. *See, e.g.*, Dep't of Commerce, Cmty. & Econ. Dev., *Made in Alaska: Permit Process*, ST. ALASKA, <https://perma.cc/Z7YU-F54D> (archived Feb. 28, 2019) (detailing the internal appeals process).

230. *See, e.g.*, *supra* note †, at 193-94 (describing the MPAA appeals board).

231. *See* 15 U.S.C. § 1064(5) (2017) (describing the conditions under which a certification mark may be canceled without requiring an appeals process).

232. *See* 2 CHARLES H. KOCH, JR. & RICHARD MURPHY, *ADMINISTRATIVE LAW & PRACTICE* § 5:87 (3d ed. West 2019) (discussing reconsideration within state agencies).

233. *See, e.g.*, ALASKA STAT. § 44.62.570 (2018) (describing the scope of judicial review of state agency action); *see also* MODEL STATE ADMIN. PROCEDURE ACT § 5-102 (UNIF. LAW COMM'N 1981) (providing for judicial review of final agency action).

234. For an example of an agency appeal path, *see, for example*, IDAHO ADMIN. CODE r. 02.01.04.003 (2019) ("Persons are entitled to appeal agency actions authorized under these rules . . ."). For private certifiers, however, section 14 of the Lanham Act operates only in terms of cancellation and does not suggest any other form of remedy against a certifier that abuses its mark. *See* 15 U.S.C. § 1064. Given the limited scope of relief in section 14 relative to the broader private right of action against infringers that the Lanham Act explicitly lays out, *see id.* § 1114, there likely is no private right of action in the Lanham Act as it currently stands against certifiers who violate the terms of section 14.

235. *See supra* notes 54-57 and accompanying text.

B. Potential Paths Forward

Courts, agencies, and Congress all have some power to grant states more liberty as certifiers relative to the status quo, though agencies and Congress in particular are best positioned to do so. This is not to say that continuing forward in the current legal landscape is impossible. Because the Lanham Act only provides a right to challenge a certification mark's registration, rather than to seek a more specific injunction against a certifier's abuse of a mark,²³⁶ producers who do not want to upend an entire certification scheme (perhaps because they would prefer to benefit from it) refrain from litigation.²³⁷ Thus, it is possible that states could allow public policy considerations to more frequently drive certification decisions as a de facto matter and still avoid litigation from aggrieved producers. However, doing so at best leaves states in a legally uncertain position, and does not—in and of itself—address the possibility that the FTC could seek to cancel states' marks nonetheless.²³⁸ Similarly, states might follow the path of the federal government's organic certification program²³⁹ by establishing unregistered certification marks pursuant to state law and accordingly enacting statutes prohibiting anyone from using those marks without meeting standards controlled by the state. While this plan is effective at the federal level, when applied by a state, it suffers from the weakness that state laws governing marks would have no effect on producers outside the state. Instead, it would be preferable for states' certification programs to rest on more solid legal ground—a solidity that all branches of the federal government could help to provide.

One possibility for granting states more latitude as certifiers is for courts to read such an interpretation into the Lanham Act. Because Congress plausibly did not consider state public policy imperatives as the sort of harmful conduct it sought to regulate with the Act,²⁴⁰ a court might have a colorable basis for allowing states to discriminate in licensing certification marks, expand the use of their marks, and participate in the marketplace for goods they certify for reasons orthogonal to competition. A judicial solution, however, is among the less likely paths forward. First, a court would need to be in a position to rule on these arguments to begin with, a situation less likely to occur if an aggrieved party can only petition to cancel a mark, rather than sue for an injunction allowing it to use the mark. Second, even if given the opportunity, many courts would remain, as a principled matter of statutory interpretation, skeptical of

236. See 15 U.S.C. § 1064 (allowing other parties to petition for the cancellation of a mark).

237. See *supra* notes 57-58 and accompanying text.

238. See *supra* notes 57-58 and accompanying text.

239. See *supra* notes 91-92 and accompanying text.

240. See *supra* notes 168-76 and accompanying text.

any argument grounded in Congress's purpose in enacting a law.²⁴¹ And finally, courts might be reluctant to themselves create an exemption to the Lanham Act's restrictions that depends on the purposes for which a state chooses to violate the Act's apparent terms. The degree to which intellectual property laws should take into account a rightholder's or an infringer's motives—and whether they are consistent with behavior that intellectual property laws encourage or discourage—remains an open question among courts and scholars.²⁴² Since courts have preferred to tiptoe around the question rather than address it directly, a court would likely be hesitant to craft such a rule in the context of the Lanham Act, if only because it could function as an important precedent in the larger debate. As a result, though the courts remain a possible avenue for expanding states' freedom under the Lanham Act, they are neither the most capable nor most likely institution to do so.

Another potential solution would look to administrative agencies for assistance to states. Although certain provisions of section 14(5), such as the rule against discriminatory refusals to certify, are unlikely to be friendly to agency interpretation,²⁴³ the PTO has more latitude in other domains. For instance, the Lanham Act provides little guidance on what exactly constitutes a material alteration to a mark,²⁴⁴ as does the current TMEP provision that governs amendments to certification statements.²⁴⁵ Given this ambiguity, the PTO could issue a rule or guidance for modifying certification statements that allows states some degree of substantive latitude before such modifications become material. Doing so would give states a way to avoid violating section 14(5)—states could go directly to the PTO to modify a certification statement when facing an unanticipated public policy imperative, instead of applying a mark beyond the scope of its certification statement or refusing to certify otherwise qualifying goods because of an unanticipated public policy challenge.

On a similar note, the PTO could clarify the anti-use-by-owner rule by interpreting it to apply at the level of the agency, rather than the whole state government. Doing so would solidify the TTAB's assumption in *In re Florida Citrus Commission*,²⁴⁶ and would let state agencies unrelated to certifiers pursue states' policy objectives with fewer restrictions. The difficulty with this approach comes from the lack of clarity about the level of deference that the

241. See *supra* text accompanying note 131.

242. See Jeanne Fromer, *Should the Law Care Why Intellectual Property Rights Have Been Asserted?*, 53 HOUS. L. REV. 549, 575-86 (2015).

243. See 15 U.S.C. § 1064(5)(D) (2017).

244. See *id.* § 1057(e).

245. TMEP, *supra* note 49, § 1609.12.

246. See 160 U.S.P.Q. (BNA) 495, 498-99 (T.T.A.B. 1968).

PTO should receive from courts. The Federal Circuit has ruled that the PTO is not entitled to any deference in its trademark-related rulemaking or adjudication, and other courts are split on the matter.²⁴⁷ A court that afforded the PTO less than *Chevron* deference might be, for the same reasons as discussed earlier, reluctant to loosen its reading of the Lanham Act to favor states.²⁴⁸ And while a court applying full *Chevron* deference might, following the TTAB's reasoning in *In re Florida Citrus Commission*, narrowly construe the entity owning and using a trademark,²⁴⁹ it is less clear that courts would accept a definition of materiality that involved the ability to include and exclude products from a certification statement. Thus, even if there might be an administrative solution to some challenges states face under the Lanham Act, such a solution would be both risky and ultimately limited in scope.

Instead, the cleanest and most comprehensive path forward—though inevitably politically challenging—is through Congress. The Lanham Act and its amendments are ultimately congressional creations.²⁵⁰ Just as Congress could establish the Lanham Act's terms and goals in the past, and then subsequently modify them in response to changing circumstances,²⁵¹ so too can Congress amend the Act again to better serve the states. Such an amendment might consist primarily of a series of exceptions to section 14(5)'s rules about control and discrimination for states that act for policy-based reasons rather than out of commercial motives. Those rules would work alongside an amendment to section 14(5)(B) to clarify that the anti-use-by-owner rule applies to state agencies rather than governments—a standard that would recognize states' broad portfolios of activity in their economies. While these amendments are similar to this Note's suggestions for courts and agencies, the

247. See Melissa F. Wasserman, *What Administrative Law Can Teach the Trademark System*, 93 WASH. U. L. REV. 1511, 1543-47 (2016) (citing *Merck & Co. v. Kessler*, 80 F.3d 1543, 1549-50 (Fed. Cir. 1996); *Kohler Co. v. Moen Inc.*, 12 F.3d 632, 634 (7th Cir. 1993); and *Pro-Football, Inc. v. Harjo*, 284 F. Supp. 2d 96, 118 (D.D.C. 2003)). This does not necessarily apply in the patent context. See *Aqua Prods., Inc. v. Matal*, 872 F.3d 1290, 1302-25 (Fed. Cir. 2017) (en banc) (plurality opinion) (applying the *Chevron* deference framework to PTO patent rules).

248. See *Chevron U.S.A. Inc. v. Nat. Res. Def. Council, Inc.*, 467 U.S. 837, 842-43 (1984).

249. See 160 U.S.P.Q. (BNA) at 498-99.

250. See 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 5:5-:11 (5th ed. West 2019).

251. See, e.g., *id.* § 5:9 (describing the Trademark Law Revision Act of 1988); see also Trademark Law Revision Act of 1988, Pub. L. No. 100-667, tit. I, 102 Stat. 3935, 3935-48 (codified as amended in scattered sections of 15 U.S.C.).

legislative process has the advantage of generating rules more insulated from judicial review, so long as they comply with the Commerce Clause and First Amendment, and which can be crafted in their entirety, rather than through reluctant courts' slower and more iterative processes.²⁵²

Conclusion

States' role as certifiers is well established under the Lanham Act and in practice, even as there remains room for that role to expand further. The Lanham Act's restrictions, however, do not recognize the diverse set of regulatory interests and policy initiatives that state governments undertake. The Act's restrictions contemplate the need to separate certifiers from individual business interests in order to maintain a competitive market and inform consumers. Although the rules might work well for nonprofits and trade associations, they do not contemplate the difficulty of grafting a neutral role requiring protection from industry interests onto a state government. States, of course, serve numerous constituencies; have to balance many competing policy considerations; and, because of their size and openness to political participation and legal challenge, are much harder for an industry to capture, let alone a single producer. Thus, while the Lanham Act imposes its restrictions on all certifiers, it goes too far as a matter of policy when applied to the states. Rather, states must choose between their role as certifiers and their ability to fully pursue their regulatory goals, comply with federal law, or participate in their own economies. The solution to this dilemma—anticipating states' future regulatory and policy needs at the time they devise their

252. Congress might consider using the opportunity to update the Lanham Act to also include a private right of action for injunctive relief against certifiers who harm a producer in violation of the modified section 14(5). The modifications I suggest to section 14(5) should already provide protections for states' interests, but creating a right of action would also create a private enforcement regime that could operate without such drastic penalties as the cancellation of a certification mark altogether, instead allowing producers equal access to a certification when the circumstances demand it. Such a system would be an important adjunct to the Lanham Act's broader law of certification marks, and could help both to reduce abuses of certifiers' power and to develop the doctrine around certification marks. Moreover, to the extent that this extra enforcement mechanism could be useful as a way to check abuses of states' greater latitude under the Lanham Act, it might be a useful political instrument in granting them that greater latitude in the first place. I suggest injunctive relief here to allow plaintiffs to avoid any questions of sovereign immunity. *See Coll. Sav. Bank v. Fla. Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666, 676-77 (1999) (holding that sovereign immunity doctrines apply to state government violations of the Lanham Act). Private parties could be sued directly, and state officials sued in their individual capacities.

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certification marks—is difficult to the point of impracticability. All the same, this problem is far from intractable. Allowing states to participate in the markets they certify and to deviate from their own certification standards would pose few of the anticompetitive dangers that spurred the Lanham Act’s restrictions in the first place. Thus, to the extent that courts, the PTO, and, most importantly, Congress can give state certifiers some breathing room for public policy, they can better serve states’ (and their constituents’) interests at little risk to the consuming public.