

Trademark Protection for Color *Per Se* After *Qualitex Co. v. Jacobson Products Co.*: Another Grey Area in the Law

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I.	INTRODUCTION	2
II.	PRE-OWENS-CORNING COLOR TRADEMARK CASES	6
	A. <i>The Color Depletion Theory</i>	8
	B. <i>The Shade Confusion Doctrine</i>	10
	C. <i>The Functionality Doctrine</i>	16
	1. Utilitarian Functionality	17
	2. Aesthetic Functionality	19
III.	COLOR <i>PER SE</i> TRADEMARKS AND THE LANHAM ACT	21
IV.	RECENT PRE- <i>QUALITEX</i> CIRCUIT COURT CASES	26
	A. <i>In re Owens-Corning Fiberglas Corp.</i>	26
	B. <i>NutraSweet Co. v. Stadt Corp.</i>	34
	C. <i>Master Distributors, Inc. v. Pako Corp.</i>	38
	D. <i>International Jensen, Inc. v. Metrosound U.S.A., Inc.</i>	42
V.	<i>QUALITEX CO. V. JACOBSON PRODUCTS CO.</i>	45
VI.	THE PRACTICAL EFFECT OF THE <i>QUALITEX</i> DECISION	50
VII.	THE EFFECT OF <i>TWO PESOS, INC. V. TACO CABANA, INC.</i> ON PROTECTION OF COLOR	54
VIII.	PROPOSAL	59
IX.	CONCLUSION	61

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I. INTRODUCTION

In a perfect world, federal statutes would be uniformly interpreted and applied in all of the different circuits.¹ In our “best of all possible worlds,”² however, circuit courts often disagree with one another, causing doctrinal confusion and “real-world” practical difficulties. The circuit courts of appeal have been in disagreement in recent years over whether, and to what extent, color should be protected as a trademark. On January 3, 1994, as a result of *Qualitex Co. v. Jacobson Products Co.*,³ a solid inter-circuit split of authority was created between the Ninth Circuit and the Federal Circuit regarding the registrability of color *per se*⁴ trademarks.

In 1985, the Federal Circuit, in *In re Owens-Corning Fiberglas Corp.*,⁵ a case regarding the registrability of the color “pink” in connection with fibrous glass insulation products, held that color *per se* may be registered as a trademark, provided that the other statutory requirements such as non-functionality and secondary meaning are met. In that case, the Federal Circuit found, *inter alia*, that owing to extensive advertising and promotion of the color mark and much commercial success in the marketplace, the color pink identified Owens-Corning as the source of the goods and, therefore, served as a trademark. The court held that the mark pink was entitled to federal registration.

In contrast, the Ninth Circuit, in *Qualitex*, denied trademark protection to the color “green-gold” in connection with dry cleaning press pads, despite 30 years of continuous use, wide consumer recognition, and a validly issued federal trademark registration. In cancelling the registration, the Ninth Circuit adopted a *per se* rule against trademark protection for color *per se*. No other court has canceled a validly issued registration solely because the mark consisted

¹ See *Mississippi Band of Choctaw Indians v. Holyfield*, 490 U.S. 30, 43 (1989) (“[F]ederal statutes are generally intended to have uniform nationwide application.”).

² FRANCOIS-MARIE AROUET DE VOLTAIRE, *CANDIDE* 114 (1946).

³ 13 F.3d 1297 (9th Cir.), *cert. granted*, 115 S. Ct. 40 (1994) (mem.).

⁴ A trademark in the color alone and in and of itself is referred to as “color *per se*.”

⁵ 774 F.2d 1116 (Fed. Cir. 1985); see *infra* part IV.A.

of a color.⁶ In the Ninth Circuit, color alone may never be a registered trademark, regardless of whether or not the color identifies the source of goods and/or services to the public, and whether or not the color is non-functional. The two cases are completely at odds with each other.⁷

Since the Federal Circuit's *Owens-Corning*⁸ decision, several cases have dealt with the issue of color and trademark law. *Qualitex*, however, is the first federal appellate court case since *Owens-Corning* to deal specifically with the issue of registrability of color *per se*. *NutraSweet Co. v. Stadt Corp.*,⁹ a Seventh Circuit case, dealt with the issue of protection of color as trade dress under section 43(a) of the Lanham Act,¹⁰ not registrability. *Master Distributors, Inc. v. Pako*

⁶ Courts that have denied protection for color have denied it on the basis of either common law trademark rights or under section 43(a) of the Lanham Act. See, e.g., *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991); *Campbell Soup Co. v. Armour & Co.*, 175 F.2d 795 (3d Cir.), *cert. denied*, 338 U.S. 847 (1949).

⁷ The *Qualitex* case also created a split of authority between the Ninth Circuit and the Seventh Circuit with respect to the protection of color in a trade dress case. The Seventh Circuit, in *NutraSweet*, refused to allow trade dress protection to the color "blue" in connection with artificial sweetener packets. In contrast, the Ninth Circuit in *Qualitex*, although not allowing the color "green-gold" to be protected through trademark, did allow the overall green-gold appearance to be protected as trade dress under § 43(a) of the Lanham Act. Despite this inter-circuit split of authority, the Supreme Court will only be adjudicating the registrability of color issue. For a brief discussion of trade dress, see *infra* note 10.

⁸ 774 F.2d 1116; see *infra* part IV.A.

⁹ 917 F.2d 1024 (7th Cir. 1990); see *infra* part IV.B.

¹⁰ 15 U.S.C. § 1125(a) (1988). As well as creating a cause of action for unregistered trademarks, section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), also creates a federal cause of action for trade dress infringement. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753 (1992); *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531 (11th Cir. 1986), *cert. denied*, 481 U.S. 1041 (1987); *Robarb, Inc. v. Pool Builders Supply of the Carolinas, Inc.*, 21 U.S.P.Q.2d (BNA) 1743 (N.D. Ga. 1991), *aff'd*, 996 F.2d 1232 (11th Cir. 1993). Trade dress involves "the total image of a product, and may include features such as size, shape, color, or color combinations, texture, [or] graphics." *Two Pesos*, 112 S. Ct. at 2755 n.1, (citing *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983)); *Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165, 1169 (11th Cir. 1991); *AmBrit*, 812 F.2d at 1535; *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 75 (2d Cir. 1985) (citing *John H. Harland Co.*, 711 F.2d at 980). In determining whether a product's trade dress is protectable, it is not proper to analyze the individual elements of the trade dress alone; the entire appearance of the product must be viewed as a whole. *AmBrit*, 812 F.2d at 1538; *John H. Harland Co.*, 711 F.2d at 980; *Robarb*, 21 U.S.P.Q.2d at 1746.

Corp.,¹¹ an Eighth Circuit case, dealt with whether color could be protected as a trademark under common law. *International Jensen, Inc. v. Metrosound U.S.A., Inc.*,¹² which was decided by the Ninth Circuit shortly before *Qualitex*, involved the issue of protection of color. The case, however, was decided on other grounds—likelihood of confusion; protection of color *per se* as a trademark was never addressed. Because *Qualitex* dealt directly with registrability, the resolution of the split of authority between the Ninth Circuit and the Federal Circuit is necessary.¹³

The *Qualitex* opinion regarding the registrability of color *per se* trademarks is at odds with both the literal language and the legislative intent of the Lanham Act. It ignores the law for what it calls a “better rule.”¹⁴ It also ignores the congressional mandate of expanding, not

The unique combination of elements or features constitutes protectable trade dress, even if some of the elements or features alone are found on other products, or are individually unprotectable. See, e.g., *Qualitex Co. v. Jacobson Prods. Co.*, 13 F.3d 1297 (9th Cir.), cert. granted, 115 S. Ct. 40 (1994)(mem.); *AmBrit*, 812 F.2d at 1531; *LeSportsac*, 754 F.2d at 71; *Warner Bros, Inc. v. Gay Toys, Inc.*, 724 F.2d 327 (2d Cir. 1983); *John H. Harland Co.*, 711 F.2d at 980; *Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695 (5th Cir. 1981), cert. denied, 457 U.S. 1126 (1982); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979); *Fundex, Inc. v. Imperial Toy Corp.*, 26 U.S.P.Q.2d (BNA) 1061 (S.D. Ind. 1992); *Robarb*, 21 U.S.P.Q.2d at 1745; see also, *infra*, part II.C.

In order to prevail on a trade dress infringement cause of action under section 43(a) of the Lanham Act, plaintiff must prove the following elements: 1) Its trade dress is either inherently distinctive or has acquired secondary meaning; 2) its trade dress is primarily non-functional; and 3) defendant's trade dress is confusingly similar. *Two Pesos*, 112 S. Ct. at 2753; *AmBrit*, 812 F.2d at 1535; *Robarb*, 21 U.S.P.Q.2d at 1745.

¹¹ 986 F.2d 219 (8th Cir. 1993); see *infra* part IV.C.

¹² 4 F.3d 819 (9th Cir. 1993); see *infra*, part IV.D.

¹³ Other circuit courts have mentioned or briefly discussed this issue without directly deciding it. See, e.g., *Keds Corp. v. Renee Int'l Trading Corp.*, 888 F.2d 215, 221 (1st Cir. 1989) (declining to decide the issue because the color blue was used in conjunction with a non-functional shape); *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1381-83 (9th Cir. 1987) (affirming denial of a preliminary injunction when district court found a competitive need for the color yellow and plaintiff failed to establish secondary meaning); *American Greetings Corp. v. Dan-Dee Imports, Inc.*, 807 F.2d 1136, 1149 (3d Cir. 1986) (affirming district court's decision that use of pastel colors, even in connection with a distinctive design, was functional); *AmBrit*, 812 F.2d at 1548 (declining to decide the issue when plaintiffs did not establish secondary meaning in the color blue).

¹⁴ *Qualitex*, 13 F.3d at 1302.

contracting, the categories to which trademark protection may attach. In addition, the *Qualitex* opinion establishes an easy mechanism by which the Ninth Circuit can trump both the Federal Circuit and the United States Patent and Trademark Office ("PTO") by ordering the cancellation of any validly issued registered trademark for color *per se*, despite the presumption of validity of registered marks. This result should not be permitted; no one court should have that kind of power. The proper approach with respect to the registrability of color is that of the Federal Circuit's majority in *Owens-Corning*.

On September 26, 1994, the Supreme Court granted *Qualitex's* petition for certiorari to resolve the split between the Federal Circuit and the Ninth Circuit over registrability of color.¹⁵ However, the issue of color as trade dress will not go to the Court. Oral arguments were presented on January 9, 1995, and a decision is expected by the middle of the year. *Qualitex* is only the fourth trademark case to be heard by the Supreme Court in a decade, the others being *Two Pesos, Inc. v. Taco Cabana, Inc.*,¹⁶ decided in 1992, *K Mart Corp. v. Cartier, Inc.*,¹⁷ decided in 1988, and *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*,¹⁸ decided in 1985. Needless to say, the case has all trademark lawyers and intellectual property academicians looking forward to the opinion.

Part II of this Article examines the three main doctrines applied by courts for refusing to grant trademark protection to color: the color

¹⁵ *Qualitex Co. v. Jacobson Prods. Co.*, 115 S. Ct. 40 (1994) (mem.). Certiorari was granted with respect to the specific issue, "Whether the Lanham Act prohibits the registration of color as a trademark." See Petitioner's Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit, Apr. 4, 1994, at i. The Court did not grant certiorari with respect to the Petitioner's second issue, "Whether a court may cancel a trademark registration duly issued by the United States Patent and Trademark Office absent a finding that the Patent and Trademark Office abused its discretion, acted contrary to the law, or made any factual error in registering the mark." *Id.*

¹⁶ 112 S. Ct. 2753 (1992). *Two Pesos* dealt with the issue of whether or not secondary meaning had to be proven in situations in which the trade dress in question was inherently distinctive. See *infra* part VII.

¹⁷ 486 U.S. 281 (1988). *K Mart* dealt with the sale of "grey market" products in the United States.

¹⁸ 469 U.S. 189 (1985). *Park 'N Fly* dealt with the issue of trademark incontestability under 15 U.S.C. § 1065 (1988).

depletion theory, shade confusion doctrine, and functionality doctrine. Part III examines both the literal language of the Lanham Act and the legislative history of the Trademark Revision Act of 1988, showing that Congress intended to expand, rather than contract, the scope of trademark protection. Part IV looks at recent pre-*Qualitex* color cases showing the origins of inter-circuit confusion. Part V examines the *Qualitex* opinion, showing both its internal inconsistency and its disregard for the intent of Congress. Part VI discusses the practical implications of *Qualitex*. Part VII examines the effect of the recent Supreme Court case, *Two Pesos, Inc. v. Taco Cabana, Inc.*, on color trademarks. Part VIII sets forth some proposals for rectifying the situation. Finally, Part IX contains the Conclusion.

II. PRE-OWENS-CORNING COLOR TRADEMARK CASES

Although a trademark is “any word, name, symbol, or device”¹⁹ that serves to identify the source of goods, in the early pre-*Owens-Corning* cases involving the issue of trademark protection for color, courts were opposed to trademark protection for color alone.²⁰ Many

¹⁹ 15 U.S.C. § 1127 (1988).

²⁰ See *North Shore Lab. Corp. v. Cohen*, 721 F.2d 514 (5th Cir. 1983); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979); *Quabaug Rubber Co. v. Fabiano Shoe Co.*, 567 F.2d 154 (1st Cir. 1977); *Volkswagenwerk Aktiengesellschaft v. Rickard*, 492 F.2d 474 (5th Cir. 1974); *In re L. Tewelers Seed Co.*, 140 U.S.P.Q. (BNA) 75 (T.T.A.B. 1963); *Norwich Pharmacal Co. v. Sterling Drug, Inc.*, 271 F.2d 569 (2d Cir. 1959), *cert. denied*, 362 U.S. 919 (1960); *Tas-T-Nut Co. v. Variety Nut & Date Co.*, 245 F.2d 3 (6th Cir. 1957); *Fram Corp. v. Boyd*, 230 F.2d 931 (5th Cir. 1956); *Mershon Co. v. Pachmayr*, 220 F.2d 879 (9th Cir.), *cert. denied*, 350 U.S. 885 (1955); *Life Savers Corp. v. Curtiss Candy Co.*, 182 F.2d 4 (7th Cir. 1950); *Diamond Match Co. v. Saginaw Match Co.*, 142 F. 727 (6th Cir.), *cert. denied*, 203 U.S. 589 (1906); *Deere & Co. v. Farmhand, Inc.*, 560 F. Supp. 85 (S.D. Iowa 1982), *aff'd per curiam*, 721 F.2d 253 (8th Cir. 1983); *Funnelcap, Inc. v. Orion Indus., Inc.*, 421 F. Supp. 700 (D. Del. 1976); *Vitarroz Corp. v. River Brand Rice Mills, Inc.*, 266 F. Supp. 981 (S.D.N.Y. 1967); *Delamere Co. v. Taylor-Bell Co.*, 249 F. Supp. 471 (S.D.N.Y. 1966); *Chun King Sales, Inc. v. Oriental Foods, Inc.*, 136 F. Supp. 659 (S.D. Cal. 1955), *modified on other grounds*, 244 F.2d 909 (9th Cir. 1957); *Campbell Soup Co. v. Armour & Co.*, 81 F. Supp. 114 (E.D. Pa. 1948), *aff'd*, 175 F.2d 795 (3d Cir.), *cert. denied*, 338 U.S. 847 (1949); *Radio Corp. of Am. v. Decca Records, Inc.*,

courts, however, would allow registration for a color in combination with a mark, shape, or logo. For example, in *Quabaug Rubber Co. v. Fabiano Shoe Co.*, the color yellow on an octagon was held protectable,²¹ and in *In re Hehr Manufacturing Co.*, red on a square was protected.²² The older decisions generally fall into two categories.²³ The first group were C.C.P.A. decisions²⁴ examining whether “marks containing colors or combinations of colors were inherently distinctive.”²⁵ The second group of cases were mainly appellate court decisions that applied common law trademark rules to “marks consisting of colored designs, multiple color patterns, and stripes.”²⁶ Most of the decisions, however, did not deal with the

51 F. Supp. 493 (S.D.N.Y. 1943); *James Heddon's Sons v. Millsite Steel & Wire Works, Inc.*, 35 F. Supp. 169 (E.D. Mich. 1940), *aff'd*, 128 F.2d 6 (6th Cir.), *cert. denied*, 317 U.S. 674 (1942); *Southern Cal. Fish Co. v. White Star Canning Co.*, 45 Cal. App. 2d 426, 187 P. 981 (Cal. Ct. App. 1920); *H. P. Hood & Sons, Inc. v. Whiting Milk Co.*, 186 N.E.2d 904 (Mass. Sup. Jud. Ct. 1963); *Mr. Gasket Co. v. Travis*, 299 N.E.2d 906 (Ohio App. 1973); *Pacific Coast Condensed Milk Co. v. Frye & Co.*, 147 P. 865 (Wash. 1915). *See also* JEROME GILSON, TRADEMARK PROTECTION AND PRACTICE, § 2.11 (1992); 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 7.16 (3d ed. 1992); Jeffrey M. Samuels & Linda B. Samuels, *Color Trademarks: Shades of Confusion*, 83 TRADEMARK REP. 554 (1993).

²¹ 567 F.2d 154, 160-61 (1st Cir. 1977).

²² 279 F.2d 526 (C.C.P.A. 1960).

²³ Lawrence D. Grewach, *In Re Owens-Corning Fiberglas Corp.: The Federal Circuit Puts Owens-Corning "In the Pink,"* 35 AM. U. L. REV. 1221 (1986).

²⁴ Prior to the formation of the Court of Appeals for the Federal Circuit, appeals from the PTO went to the Court of Customs and Patent Appeals (“C.C.P.A.”). In 1982, the C.C.P.A. and the Claims Court were merged into the Court of Appeals for the Federal Circuit. The Federal Circuit hears all appeals from the Board of Patent Appeals and Interferences, and also hears all patent appeals from the various district courts. The Federal Circuit usually hears most cases on appeal from the Trademark Trial and Appeal Board. *See* 15 U.S.C. § 1071 (1988).

²⁵ Grewach, *supra* note 23, at 1229 (citing *Plastilite Corp. v. Kassnar Imports*, 508 F.2d 824, 827 (C.C.P.A. 1975) (denying registration of fishing boat's color scheme for lack of “inherent distinctiveness”)); *In re Data Packaging Corp.*, 453 F.2d 1300, 1303 (C.C.P.A. 1972) (permitting registration of distinctive combination of colors on computer tape); *In re Swift & Co.*, 223 F.2d 950, 955 (C.C.P.A. 1955) (allowing registration of distinctive color banded design on cans).

²⁶ Grewach, *supra* note 23, at 1230 (citing *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 203 (2d Cir. 1979) (uniform design combining white boots, white shorts, blue blouse, and stars)); *Quabaug Rubber Co. v. Fabiano Shoe Co.*, 567 F.2d 154, 160-61 (1st Cir. 1977) (yellow label on soles of shoes and boots).

specific issue of whether or not the color of a product itself warranted protection.²⁷

In those cases in which courts denied protection to color, three doctrines developed as judicial justification: 1) the color depletion theory, 2) the shade confusion doctrine, and 3) the functionality doctrine. The three doctrines are discussed in turn below.

A. *The Color Depletion Theory*

The color depletion theory is the most widely espoused doctrine utilized by courts to deny protection to color *per se*. The theory is predicated upon the assumption that only a finite number of colors exist in the universe, and that if a party is allowed to claim trademark protection for a specific color, he or she could gain a monopoly in the color. Soon other parties would claim protection in other colors, and in a short while, all of the colors would have been utilized. In short, there are so few colors that it would take very little time for the color supply to run out.

The color depletion theory was first articulated by the Sixth Circuit in 1906 in *Diamond Match Co. v. Saginaw Match Co.*,²⁸ in which the colors on the tips of matches were denied protection. The court said:

The primary colors, even adding black and white, are but few. If two of these colors can be appropriated for one brand of tipped matches, it will not take long to appropriate the rest. Thus, by appropriating the colors, the manufacture of tipped matches could be monopolized by a few vigilant concerns, without any patent whatever.²⁹

The concern expressed in *Saginaw Match* was essentially an economic and property argument. The court was afraid that a few companies could monopolize the product itself by monopolizing the colors of the matchheads.

The color depletion theory was again used in 1949 by the Third

²⁷ Grewach, *supra* note 23, at 1230.

²⁸ 142 F. 727 (6th Cir.), *cert. denied*, 203 U.S. 589 (1906).

²⁹ *Id.* at 729.

Circuit in *Campbell Soup Co. v. Armour & Co.*,³⁰ in which trademark protection was denied to the red and white labels on cans of soup. The Third Circuit commented:

What the plaintiffs are really asking for, then, is a right to the exclusive use of labels which are half red and half white for food products. If they may thus monopolize red in all of its shades the next manufacturer may monopolize orange in all its shades and the next yellow the same way. Obviously, the list of colors will soon run out.³¹

The Third Circuit's analysis is extremely flawed. First, the court assumes that a trademark right in a specific shade of red will confer a monopoly in all variants of red. Second, relying on this erroneous assumption, the court assumes the available color supply would be exhausted in short time.

In reality, there is not an easily exhaustible supply of colors. Color shades result from a combination of four factors: 1) hue—the major primary color base; 2) density—the comparative strength of the hue; 3) brightness—the white content in any color mixture; and 4) shadow—the black content of the mixture. Based upon these factors, “[h]undreds of color pigments are manufactured and thousands of colors can be obtained by mixing hues with each other and by mixing them with white or with black, and white and black (grey).”³²

Several studies have been undertaken to classify and quantify the number of perceptibly different shades of color. One was performed by Albert Munsell in 1912.³³ Munsell developed a system of color categorization that resulted in a compilation of 362 distinct categorized colors. The National Bureau of Standards (“NBS”) and the Inter-Society Council also engaged in the undertaking of categorizing colors. Their study was much more extensive. The NBS identified 7500 distinct colors. Each color was assigned a numerical value which

³⁰ 175 F.2d 795 (3d Cir.), *cert. denied*, 338 U.S. 847 (1949).

³¹ *Id.* at 798.

³² Brian R. Henry, *Right Hat, Wrong Peg*: In *Re Owens-Corning Fiberglas Corporation and the Demise of the Mere Color Rule*, 76 TRADEMARK REP. 389, 402 (1986) (quoting L. CHESKIN, *COLORS: WHAT THEY CAN DO FOR YOU* 47-48 (1947)).

³³ *Id.* at 402 (citing M. GRAVES, *COLOR FUNDAMENTALS* 136 (1952)).

indicated the specific combination of hue, saturation, and lightness.³⁴ Kornerup and Wanscher performed another study in 1962. They were able to find 1266 discernable colors which they embodied in a book of “color swatches.”³⁵ The colors were organized according to hue, density, and shadow.³⁶

In addition to the studies, one source, available to all, shows that there is quite a large universe of perceptibly different colors available. All that it takes to erode the color depletion theory is a quick trip to any paint store, hardware store, or art supply store. It would, indeed, take a very long time for all of the choices to be exhausted.

Contrary to the claims of some courts, the available color supply will not be depleted or monopolized in the near future by “a few vigilant concerns.”³⁷ Despite the available evidence casting the color depletion theory in doubt, courts have used this doctrine the most often to deny trademark protection to color *per se*.³⁸ After several years of lying dormant, the color depletion theory reared its ugly head once again in *Qualitex*.

B. *The Shade Confusion Doctrine*

Another justification used by courts to deny protection to color *per se* is the doctrine of shade confusion. In essence, this is a concern by courts that “infringement actions not degenerate into questions of

³⁴ KENNETH L. KELLY & DEANE B. JUDD, *THE ISCC-NBS METHOD OF DESIGNATING COLORS AND A DICTIONARY OF COLOR NAMES* 4 (1955).

³⁵ A. KORNERUP & J.H. WANSCHER, *COLOR ATLAS* (1962).

³⁶ *Id.*

³⁷ *Diamond Match Co. v. Saginaw Match Co.*, 142 F. 727, 729 (6th Cir.), *cert. denied*, 203 U.S. 589 (1906).

³⁸ *See, e.g., Norwich Pharmacal Co. v. Sterling Drug, Inc.*, 271 F.2d 569, 572 (2d Cir. 1959) (pink color of Pepto-Bismol denied trademark protection), *cert. denied*, 362 U.S. 919 (1960); *Tas-T-Nut Co. v. Variety Nut & Date Co.*, 245 F.2d 3, 6 (6th Cir. 1957) (color not protected on nut packaging); *Life Savers Corp. v. Curtiss Candy Co.*, 182 F.2d 4 (7th Cir. 1950) (stripes on Life Saver packaging not protected). “Color is not subject to trade-mark monopoly except in connection with some definite arbitrary symbol or design.” *Id.* at 9. The Pepto-Bismol “pink” and the Life Savers “stripes” were also denied protection based upon the respective courts holding that the colors were functional. *See infra* part II.C.

shade confusion.”³⁹ The doctrine is predicated upon a belief by courts that differences in individual shades of color would be too difficult to discern by triers of fact. The theory developed around the incorrect assumption that shades of color are inherently more difficult to differentiate than words, graphics, or shapes. The theory is judicially created and not based upon any empirical studies. Worrying that color infringement actions would “degenerate into questions of . . . confusion,” however, completely misses the point. In trademark cases, all infringement actions—regardless of the type of mark—are essentially actions that degenerate into questions of confusion.

The test for trademark infringement in all jurisdictions—state or federal⁴⁰—is the “likelihood of confusion” test. This test applies to federally registered trademarks under section 32(1) of the Lanham Act,⁴¹ and unregistered trademarks and trade dress under section 43(a) of the Lanham Act.⁴² The likelihood of confusion test also applies to actions for unfair competition under both state and federal law and actions for common law trademark infringement. A determination of likelihood of confusion is based upon a number of factors. The factors are basically the same in all circuits, although some circuits may apply a slight variation of another circuit’s test.⁴³

³⁹ *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1027 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991). See also MCCARTHY, *supra* note 20, § 7.16[1] at 7-69.

⁴⁰ Unlike copyright and patent law, there is no express federal pre-emption in trademark. Therefore, a plaintiff may bring both a federal Lanham Act claim and a state common law trademark cause of action.

⁴¹ 15 U.S.C. § 1114(1) (1988).

⁴² 15 U.S.C. § 1125(a) (1988).

⁴³ The First, Fifth, Seventh, Ninth, and Eleventh Circuits and the Court of Appeals for the Federal Circuit further evaluate the relationship between the parties’ channels of trade or distribution (the Fifth and Eleventh Circuits refer to this factor as “identity of retail outlets”), although the Second Circuit does not include this consideration in its likelihood of confusion analysis. The similarity of the advertising media utilized figures as a factor in the First, Fifth, Seventh, and Eleventh Circuits’ tests, but not the Second’s or Ninth’s. The type of consumer likely to purchase the respective goods is examined by the First Circuit (which refers to “classes of prospective buyers”), the Second (“sophistication of buyers”), the Fifth, the Ninth (“degree of care likely to be exercised by purchaser”), the Eleventh, and the Federal Circuit, but is absent from the Seventh Circuit’s cluster of factors. In addition, both the Second and the Ninth Circuits weigh the likelihood of business expansion into competing markets.

For example, the classic case in the Second Circuit that sets forth the standard, *Polaroid Corp. v. Polarad Electronics Corp.*,⁴⁴ balances the following factors, referred to as the *Polaroid* factors:

- 1) the strength of plaintiff's mark;
- 2) the degree of similarity between plaintiff's and defendant's marks;
- 3) the proximity of the products or services;
- 4) the likelihood plaintiff will bridge the gap;
- 5) evidence of actual confusion;
- 6) defendant's good faith in adopting the mark;

Interestingly, however, the Second Circuit concentrates on the likelihood that the prior owner will "bridge the gap" between the products, while the Ninth Circuit and the Federal Circuit regard the possibility that either party will diversify his business to compete with the other as a strong indication that the defendant's present use is infringing. The Second Circuit alone, among those mentioned here, considers the quality of the defendant's product.

JANE C. GINSBURG ET AL., TRADEMARK AND UNFAIR COMPETITION LAW: CASES AND MATERIALS 368 (1991). In addition to there being slightly different factors to be considered by the different circuit courts of appeal, there is also disagreement regarding whether likelihood of confusion is a question of law, a question of fact, or a mixed question of law and fact. Whether or not an issue is one of fact or law effects the standard of review—clearly erroneous or *de novo* respectively. For example, in recent cases, the First, Third, Fifth, Seventh, Eighth, Ninth, Tenth, and Eleventh Circuits have, generally, classified likelihood of confusion as an issue of fact, and have, therefore, applied the clearly erroneous standard of review. *Id.* at 371 (citing *Purolator, Inc. v. EFRA Distribs., Inc.*, 216 U.S.P.Q. 457 (1st Cir. 1982)). See *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423 (7th Cir. 1985), *cert. denied*, 475 U.S. 1147 (1986); *Amstar Corp. v. Domino's Pizza, Inc.*, 615 F.2d 252 (5th Cir. 1980); *Squirt Co. v. Seven-Up Co.*, 628 F.2d 1086 (8th Cir. 1980). In contrast, the Federal Circuit views the issue as one of law and makes determinations *de novo* on appeal. See, e.g., *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565 (Fed. Cir. 1983). Finally, some courts, such as the Second Circuit and the Sixth Circuit view the issue as a mixed question of law and fact. The underlying factors are reviewed on a clearly erroneous standard, but the overall determination is reviewed *de novo*. See, e.g., *Charles of the Ritz Group, Ltd. v. Quality King Dist., Inc.*, 832 F.2d 1317 (2d Cir. 1987); *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831 (6th Cir. 1983). The need to resolve the issue was raised in a petition for certiorari that was denied. See *Elby's Big Boy of Steubenville, Inc. v. Frisch's Restaurants, Inc.*, 459 U.S. 916, 917 (1982) (White, J., dissenting from denial or certiorari).

⁴⁴ 287 F.2d 492 (2d Cir.), *cert. denied*, 368 U.S. 820 (1961).

- 7) the quality of defendant's product or service; and
- 8) the sophistication of the buyers.⁴⁵

The test in the Ninth Circuit involves the balancing of the following factors which are similar to the *Polaroid* factors:

- 1) the strength of the plaintiff's mark;
- 2) relatedness of the goods;
- 3) similarity of the marks;
- 4) evidence of actual confusion;
- 5) marketing channels used;
- 6) likely degree of purchaser care;
- 7) defendant's intent in selecting the mark; and
- 8) likelihood of expansion of the product lines.⁴⁶

Likelihood of confusion is not determined by whether or not a court finds that a majority of the factors are present. A court determines the weight to be given to each factor and then arrives at the ultimate decision. The weight of each factor will vary in accordance with the circumstances of each particular case.⁴⁷

While a determination of the differences between shades of color, or between colors themselves, may be difficult, it is often no more difficult than determining the differences between word marks or graphic marks that are very similar.⁴⁸

⁴⁵ *Id.*

⁴⁶ *Newton v. Thomason*, 22 F.3d 1455, 1461 (9th Cir. 1994); *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1400 (9th Cir.), *cert. denied*, 113 S. Ct. 2443 (1992); *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979).

⁴⁷ *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1538 (11th Cir. 1986), *cert. denied*, 481 U.S. 1041 (1987).

⁴⁸ Triers of fact must often answer close and difficult questions, and the traditional likelihood of confusion standard should be applied to distinguish similar colors, as it is when similar slogans, symbols, numbers, or words are compared. *See, e.g., Dial-A-Mattress Franchise Corp. v. Page*, 880 F.2d 675 (2d Cir. 1989) ("1-800-Mattress" and "Dial-A-

By definition, a determination of likelihood of confusion must be undertaken in infringement actions with respect to all kinds of marks, including word marks and graphic marks. Is "Polarad" more or less confusingly similar to "Polaroid" than maroon is to pink? Confusion is the essence of an infringement claim; therefore, infringement actions should "degenerate" into questions of confusion.

As expressed above, there are numerous color choices available to a party for use as a mark. Similarly, there are numerous word or pictorial choices available for a mark. The second user must not choose a mark that is confusingly similar to a pre-existing mark. When the colors are quite different, this risk is avoided; however, when the colors are close, it is incumbent upon the second user to choose a color that is not too similar to the prior user's mark. In many cases, determining the similarities between word marks or graphic marks is no more difficult than determining the similarities between color marks.

The absurdist logic of the shade confusion doctrine can be shown by analogy with the use of names. There are, of course, certain names that are quite close to other names. Would it make any sense to apply a blanket *per se* prohibition against the use of the names "Anderson," "Johnson," or "Peterson" because it is possible that someone else, at some time, might use the names "Andersen," "Jonsson," or "Pedersen" as a mark? What about "Smith" or "Smyth?" How about "Cohen," "Cohn," "Kone," and "Kohn?"

Let's go even further. Many marks are made-up words, such as "Exxon" or "Xerox." Numerous homonyms can be created from our available letters. Would a court deny protection before the fact to "Exxon" or "Xerox" because someone might later use "Ekson" or "Zerox?" Would a court deny protection to "Disney" because

Mattress"); *Kimberly-Clark Corp. v. H. Douglas Enters., Ltd.*, 774 F.2d 1144 (Fed. Cir. 1985) ("Huggies" and "Dougies"); *Chemical Corp. of Am. v. Anheuser-Busch, Inc.*, 306 F.2d 433 (5th Cir. 1962) ("Where there's life . . . there's bugs" and "Where there's life . . . there's Bud"), *cert. denied*, 372 U.S. 965 (1963); *G.D. Searle & Co. v. Chas. Pfizer & Co.*, 265 F.2d 385 (7th Cir.) ("Dramamine" and "Bonamine"), *cert. denied*, 361 U.S. 819 (1959); *Upjohn Co. v. Schwartz*, 246 F.2d 254 (2d Cir. 1957) ("Syrocol" and "Cheracol"); *Hancock v. American Steel & Wire Co.*, 203 F.2d 737 (C.C.P.A. 1953) ("Cyclone" and "Tornado").

someone else might use the word "Disnee?" The answer is obvious. There is no word confusion doctrine that prevents the registration of words. Should a star with five points and the letter "T" inside be denied protection because someone else might later use a star with six points and the letter "T" inside? Should an octagon as part of a mark be denied protection because in the future someone may use a hexagon as part of a mark, and people may not be able to tell them apart? There is no logo confusion doctrine that prevents the registration of graphics.

It should be noted that if one attempts to register a word or logo that is confusingly similar to *an already existing mark*, registration will probably be refused under section 2(d) of the Lanham Act.⁴⁹ However, the case of an applicant's mark being similar to an already existing mark is completely distinguishable from the case of a mark being similar to a hypothetical non-existent mark that may be developed at some unknown time in the future.

There is another reason for discrediting the shade confusion doctrine. Courts have traditionally applied the shade confusion doctrine to cases involving color alone in order to deny protection. However, courts have not applied the shade confusion theory to deny protection to color when it is used in combination with a shape, letters, or words. Indeed, color has been registered and protected in combination with words or shapes without objection based upon shade confusion. For example, in *Quabaug Rubber Co. v. Fabiano Shoe Co.*,⁵⁰ the color yellow in connection with the shape of an octagon was protected as a mark identifying the source of shoes; in *American Home Products Corp. v. Barr Laboratories, Inc.*,⁵¹ color in connection with the shape of pills was protected; in *In re Swift & Co.*,⁵² red bands with polka-dots were protected as a trademark; and in *In re Hehr Manufacturing Co.*,⁵³ the color red on a square was protected as a trademark.

⁴⁹ 15 U.S.C. § 1052(d) (1988).

⁵⁰ 567 F.2d 154, 161 (1st Cir. 1977).

⁵¹ 656 F. Supp. 1058 (D.N.J. 1987).

⁵² 223 F.2d 950, 953 (C.C.P.A. 1955).

⁵³ 279 F.2d 526, 527 (C.C.P.A. 1960).

In many situations, the color of the print or the color of the graphic is essential to the successful identification of the product or source. For example, International Business Machines utilizes the color blue in its letter trademark "IBM." The "Shell Oil" logo is not just a shell; it is a yellow shell on a red background. The apple logo of Apple Computers consists of an apple with a bite taken out of it with horizontal stripes of green, yellow, orange, red, violet, and blue. The trademark is not just an apple, but an apple with a specific configuration of colors. The McDonald's golden arches are not just arches; they are *golden* arches. These trademarks would not be the same without the colors. The color or colors, as well as the shape, serve to help identify the source.

The courts' use of the shade confusion theory to deny protection to color alone, and the courts' failure to invoke shade confusion in cases involving color-in-combination, where the color is an essential element of the mark, is doctrinally inconsistent. Questions of color comparison and confusion are necessitated in litigation involving color *per se* marks as well as color-in-combination marks.

As stated above, confusion is the essence of a trademark case. The second user is on notice that whatever word, symbol, or device he or she uses should not be too similar to one used by a prior user. A court should not deny protection to a mark on the basis that there might be confusion later.⁵⁴ The shade confusion doctrine is contrary to both the letter and the spirit of trademark law. The denial of trademark protection by courts on the basis of shade confusion is a dereliction of their duty and an easy way out.

C. *The Functionality Doctrine*

The third doctrine used to deny protection to color is the functionality doctrine. "The functionality doctrine is based on the

⁵⁴ It should be noted that if the applicant is using a color in a manner that is confusingly similar to an already registered mark, refusal of registration is justified under section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d) (1988). As stated above, there is no justification for denying protection because a mark might be confusingly similar to a future mark.

competing interests of the right to free competition and the right to establish and protect a distinctive identity within the marketplace.”⁵⁵ Functional features are not entitled to trademark protection. The Supreme Court has defined a functional feature as one that “is essential to the use or purpose of the article or if it affects the cost or quality of the article.”⁵⁶ Phrased another way, a design is functional if it is so essential to the product that without it others would be hindered from competing effectively in the marketplace.⁵⁷ On the other hand, a feature is primarily non-functional if, when omitted, nothing of substantial value in the purpose or use of the goods is lost.⁵⁸

Courts have applied two different tests regarding whether a feature is functional: 1) utilitarian functionality and 2) aesthetic functionality.

1. Utilitarian Functionality

A feature performing a utilitarian function which hinders competition in connection with a product cannot be protected under trademark law.⁵⁹ If a feature is so essential to the product that competitors may not compete without copying it, it is viewed as functional. However, not all features that perform a function are barred from protection; competitive need is the key. In determining functionality of a color or feature, relevant inquiries are: “Is the

⁵⁵ Richard L. Bridge, *Master Distributors v. Pako Corporation: Equal Trademark Protection for Color Per Se*, 38 ST. LOUIS U. L.J. 485, 487 (1993) (citing *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417, 422 (5th Cir. 1984)). See also *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1218 (8th Cir. 1976) (“The question in each case is whether protection against imitation will hinder the competitor in competition.”).

⁵⁶ *Inwood Lab., Inc. v. Ives Lab., Inc.*, 456 U.S. 844, 850 n.10 (1982).

⁵⁷ *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 1531-32 (Fed. Cir. 1994), *petition for cert. filed*, 63 U.S.L.W. 3487 (U.S. Dec. 19, 1994) (No. 94-1075); *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1342 (C.C.P.A. 1982); *Robarb, Inc. v. Pool Builders Supply of the Carolinas, Inc.*, 21 U.S.P.Q.2d (BNA) 1743, 1746 (N.D. Ga. 1991), *aff'd*, 996 F.2d 1232 (11th Cir. 1993).

⁵⁸ *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983).

⁵⁹ See, e.g., *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, 2758 (1992); *Sicilia Di R. Biebow*, 732 F.2d at 429.

product designed or colored that way for manufacturing considerations, ease of use considerations, durability considerations, or portability considerations?” “Can others effectively compete in the marketplace by designing a product without the feature(s) or color(s) in question?”

For example, in *In re Morton-Norwich Products, Inc.*,⁶⁰ the applicant sought to protect the unique shape of a spray-pump bottle. Despite the fact that the bottle performed a utilitarian function, it was nonetheless protected because there were numerous other shapes of spray bottles available to competitors. There was no competitive need to use the same design.⁶¹

In contrast, in a case involving color, the “blue-dot” on flashbulbs was held to be functional because it served the purpose of alerting the user when the bulb was used or leaking by changing from blue to pink. The color was the result of a chemical reaction, and would be needed by other manufacturers if they were to offer the same indicator in connection with their bulbs.⁶² In *Warner Lambert Co. v. McCrory’s Corp.*,⁶³ the court held that the amber color of a mouthwash was functional because the color had come to signify an unflavored, medicinal mouthwash.⁶⁴ Similarly, in *U.S. Electric Manufacturing Corp. v. Bright Star Battery Co.*, the red color on the end of a flashlight was held to be functional and non-protectable because red signified safety.⁶⁵ Most recently, in *Brunswick Corp. v. British Seagull Ltd.*,⁶⁶ the color “black” was denied the protection of

⁶⁰ 671 F.2d 1332 (C.C.P.A. 1982).

⁶¹ *Id.* at 1342.

⁶² See Bridge, *supra* note 55, at 488-89 (citing *Sylvania Elec. Prods., Inc. v. Dura Elec. Lamp Co.*, 247 F.2d 730 (3d Cir. 1957)).

⁶³ 718 F. Supp. 389 (D.N.J. 1989).

⁶⁴ *Id.* at 396. The court also stated that the colors “red,” “blue,” and “green” could not be protected because they had come to represent, respectively, cinnamon, peppermint, and mint, in general. *Id.* The functionality holding in this case is similar to a holding that the mark has become generic. See also Nancy L. Clarke, *Issues in the Federal Registration of Flavors as Trademarks for Pharmaceutical Products*, 1993 U. ILL. L. REV. 105.

⁶⁵ 6 N.Y.S.2d 690 (Sup. Ct. 1938).

⁶⁶ 35 F.3d 1527 (Fed. Cir. 1994), *petition for cert. filed*, 63 U.S.L.W. 3487 (U.S. Dec. 19, 1994) (No. 94-1075).

registration⁶⁷ because of the competitive need of other manufacturers to sell black engines.⁶⁸

Highly descriptive colors, such as the colors of “Life-Savers” that corresponded to flavor, may be deemed functional, and not protected.⁶⁹ The natural color of a product will also be considered functional, for others clearly would have a competitive need to utilize that color.

Most colors used by commercial concerns to identify their products, however, should not be functional. A color that is unrelated to the purpose, function, manufacture, or efficiency of the product, such as the pink in *Owens-Corning* or the green-gold in *Qualitex* would not serve a utilitarian function and should therefore be eligible for protection.

2. Aesthetic Functionality

The second type of functionality is aesthetic functionality. In analyzing aesthetic functionality, courts do not concentrate on the product’s features in relation to whether other manufacturers need them to compete in the marketplace. Instead, courts focus on whether the color or feature serves the purpose of merely being ornamental or visually pleasing instead of identifying the source of goods or services. The aesthetic functionality doctrine is most often traced to the case of *Pagliari v. Wallace China Co.*⁷⁰ in which the designs on plates were denied protection. The court held that “if the particular feature is an important ingredient in the commercial success of the product, the interest in free competition permits its imitation in the absence of a

⁶⁷ The mark was actually canceled.

⁶⁸ *Id.* at 1530-31. Although secondary meaning was not a direct issue in the case, the court noted that “[s]everal of Mercury’s competitors in the outboard market had engines colored black” *Id.* at 1530.

⁶⁹ *See id.* at 489 (citing *Life Savers Corp. v. Curtiss Candy Co.*, 182 F.2d 4, 7 (7th Cir. 1950)). It is interesting to note that while other types of descriptive marks, such as words, may be protected upon a showing of secondary meaning, *see* 15 U.S.C. § 1052(e), (f) (1988), descriptive colors are often deemed functional, and hence, not protectable at all.

⁷⁰ 198 F.2d 339 (9th Cir. 1952).

patent or copyright.”⁷¹ Similarly, in *Wallace International Silversmiths, Inc. v. Godinger Silver Art Co.*,⁷² the court denied protection to a series of Baroque-style silverware on aesthetic functionality grounds. The design of the silverware was the feature that attracted the customers and there was a competitive need for the utilization of the Baroque design. In *Deere & Co. v. Farmhand, Inc.*,⁷³ the district court found that the specific shade of green used on John Deere front end loaders was functional because farmers preferred to match the color of their loaders to the color of their tractors, and therefore, protection would hinder competition.⁷⁴ A court also applied the aesthetic functionality doctrine in *Ventura Travelware, Inc. v. Baltimore Luggage Co.*,⁷⁵ in which trademark protection was denied to a series of colored stripes in connection with luggage because the court found that the stripes contributed to the commercial success of the product itself.

Taken to its extreme, the aesthetic functionality doctrine would deny protection to most, if not all, trade dress, and to many creative and unique trademarks. Most trademarks and trade dress are “important ingredient[s] in the commercial success of the product.” Because of its extreme result and all-or-nothing approach, the aesthetic functionality doctrine has correctly fallen into disrepute in recent years.⁷⁶ Many courts now treat the question of an attractive design under the issue of “ornamentation,” and will allow protection to attractive designs that serve a trademark purpose—identifying the source of goods and services to the public.⁷⁷ Today, when most

⁷¹ *Id.* at 343.

⁷² 916 F.2d 76 (2d Cir. 1990).

⁷³ 560 F. Supp. 85, 96-98 (S.D. Iowa 1982), *aff'd*, 721 F.2d 253 (8th Cir. 1983) (per curiam).

⁷⁴ *Id.* at 96 n.19, 98. The Eighth Circuit’s opinion did not discuss whether non-functional color alone could be protected. *Deere & Co.*, 721 F.2d at 253.

⁷⁵ 322 N.Y.S.2d 93 (Sup. Ct. 1971), *aff'd*, 328 N.Y.S.2d 811 (App. Div. 1972).

⁷⁶ Aesthetic functionality has, in some cases, been replaced by the concept of “ornamentation.” If a mark is “ornamental,” it does not serve to identify the source of goods, but only makes the goods more appealing to the eye.

⁷⁷ For an additional discussion of the aesthetic functionality doctrine, see Anthony V. Lupo, *The Pink Panther Sings the Blues: Is Color Capable of Trademark Protection?*, 21 MEM. ST. U. L. REV. 637, 644 (1991).

courts examine whether or not a mark is functional, they are usually equating functionality with utilitarian functionality, not aesthetic functionality.

III. COLOR *PER SE* TRADEMARKS AND THE LANHAM ACT

The United States trademark laws underwent a sweeping change with the enactment of the Lanham Act in 1946 and passage of the Trademark Law Revision Act of 1988. The legislative history and recent interpretation of the Lanham Act by the Supreme Court clearly indicate that it was the intent of Congress to make the application of federal trademark law more uniform, and therefore more predictable, and to expand federal trademark protection.

Previous federal legislation, such as the Federal Trademark Act of 1905 . . . reflected the view that protection of trademarks was a matter of state concern and that the right to a mark depended solely on the common law. . . . Consequently, rights to trademarks were uncertain and subject to variation in different parts of the country. Because trademarks desirably promote competition and the maintenance of product quality, Congress determined that "a sound public policy requires that trademarks should receive nationally the greatest protection that can be given them."⁷⁸

In addition to promulgating a nationally consistent system of trademark registration, Congress also established the authority to grant trademark protection to previously unprotectable indicia of product origin or source. After passage of the Lanham Act, trademark protection was, indeed, granted to particular sounds,⁷⁹ ornamental

⁷⁸ Park 'N Fly, Inc. v. Dollar Park & Fly, Inc., 469 U.S. 189, 193 (1984) (citations omitted).

⁷⁹ *In re* General Elec. Broadcasting Co., 199 U.S.P.Q. (BNA) 560, 563 (T.T.A.B. 1978) ("sounds may . . . function as source indicators"). In *General Electric*, the specific sound, a ship's bell clock, was not granted protection because it lacked distinctiveness. The case, however, generally stands for the proposition that sounds, if they meet the other requirements for trademark protection, may be registered. The National Broadcasting Company ("NBC") was granted a registration for three notes that served to identify NBC. See Trademark Registration No. 916,522. (cited in *In re* Owens-Corning Fiberglas Corp., 744 F.2d 1116, 1120 (Fed. Cir. 1985)). The Trademark Trial and Appeals Board ("T.T.A.B.") hears appeals

labels,⁸⁰ slogans,⁸¹ product containers,⁸² and even scent or fragrance.⁸³

The literal language of the Lanham Act also leads one to the conclusion that many different types of indicia of source may be registered. For example, a trademark is defined in section 45⁸⁴ of the Lanham Act as “any word, name, symbol, or device, or any combination thereof used by a person . . . to identify and distinguish his or her goods from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”⁸⁵ A reading of the language of the statute itself leads one to conclude that color squarely falls within the scope of “any word, name, symbol, or device.”

The conclusion that color should be protectable under the literal language of the statute is further buttressed by the language in section 2 of the Lanham Act, the section that lists the requirements for protectability. Section 2 provides in pertinent part that “[n]o trademark . . . shall be refused registration on the principal register on account of its nature unless” it falls within one of the following categories of marks which are expressly excluded from registration:⁸⁶

from the Trademark Examiner within the PTO.

⁸⁰ *In re Swift & Co.*, 223 F.2d 950 (C.C.P.A. 1955) (polka-dot bands may be registered).

⁸¹ *Roux Lab., Inc. v. Clairol, Inc.*, 427 F.2d 823 (C.C.P.A. 1970) (the slogan, “Only Her Hairdresser Knows For Sure” held protectable).

⁸² *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332 (C.C.P.A. 1982) (spray-pump container for household cleaning fluid held protectable); *In re Mogen David Wine Corp.*, 328 F.2d 925 (C.C.P.A. 1964) (wine bottle held protectable).

⁸³ *In re Clarke*, 17 U.S.P.Q.2d (BNA) 1238 (T.T.A.B. 1990) (floral fragrance applied to sewing thread and yarn held protectable).

⁸⁴ Section 45 of the Lanham Act is codified in 15 U.S.C. § 1127 (1988). Unfortunately, there is no nice, easy, or consistent mathematical relationship between the sections of the Lanham Act and the sections of Title 15 of the U.S. Code. For example, section 2 of the Lanham Act is codified at 15 U.S.C. § 1052; section 45 is codified at 15 U.S.C. § 1127. If subsequent sections followed the same numerical logic as section 2, we would expect to find section 45 of the Lanham Act at 15 U.S.C. § 1095. Throughout the Article, I will provide both the sections of the Lanham Act and the corresponding sections of the U.S. Code.

⁸⁵ 15 U.S.C. § 1127 (1988).

⁸⁶ Section 2 of the Lanham Act, 15 U.S.C. § 1052 (1988 & Supp. V 1993), provides as follows:

No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of

“immoral, deceptive, or scandalous matter,”⁸⁷ “the flag or coat of arms or other insignia of the United States, or of any State or municipality,”⁸⁸ “the name, portrait, or signature” of a living individual used without written permission, or “the name, signature, or portrait of a deceased President of the United States during the life

its nature unless it—

(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.

(c) Consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.

(d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive. . . .

(e) Consists of a mark which (1) when used on or in connection with the goods of the applicant is merely descriptive or deceptively misdescriptive of them, (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive of them, except as indications of regional origin may be registrable under section 1054 of this title, (3) when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them, or (4) is primarily merely a surname.

(f) Except as expressly excluded in paragraphs (a), (b), (c), (d), and (e)(3) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Commissioner may accept as prima facie evidence that the mark has become distinctive, as used on or in connection with the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made. Nothing in this section shall prevent the registration of a mark which, when used on or in connection with the goods of the applicant, is primarily geographically deceptively misdescriptive of them, and which became distinctive of the applicant's goods in commerce before December 8, 1993.

Id.

⁸⁷ Lanham Act § 2(a) (15 U.S.C. § 1052(a) (1988)).

⁸⁸ Lanham Act § 2(b) (15 U.S.C. § 1052(b) (1988)).

of his widow” used without written permission,⁸⁹ and marks which are confusingly similar to already registered marks.⁹⁰

In addition, section 2(e) of the Lanham Act⁹¹ lists several categories of marks which may not be registered unless secondary meaning or acquired distinctiveness⁹² are proven.⁹³ The categories of marks that may be registered upon a showing of secondary meaning are marks that are merely “descriptive,”⁹⁴ “deceptively misdescriptive,”⁹⁵ or “primarily geographically descriptive.”⁹⁶ From the above-cited provisions of the Lanham Act, it is clear that there is no express prohibition against protecting color *per se* in the statute itself. If anything, the expansive language of the Lanham Act leads one to believe that colors should be protected and registered.

Moreover, when the Lanham Act was modified by the Trademark Law Revision Act of 1988, Congress broadened its definition of trademark “to reflect contemporary marketing practices and to make clear a trademark’s function of distinguishing the goods of one person from those of another.”⁹⁷ Congress wanted to place the stamp of approval on the PTO’s practice of granting protection to color *per se* trademarks, provided that the other requirements of protectability had been met. The fact that the statutory definition of trademark in section 45 of the Lanham Act does not include the specific word “color” is not persuasive. The legislative history clearly shows that Congress meant to include color *per se* as a type of mark that could be registered. The Senate Report contains the following language: “The revised definition intentionally retains . . . the words ‘symbol’ or ‘device’ *so as not to preclude the registration of colors, shapes, or*

⁸⁹ Lanham Act § 2(c) (15 U.S.C. § 1052(c) (1988)). It is interesting to note the inherent sexism in § 2(c). The statute refers to the President’s “widow” instead of “surviving spouse.”

⁹⁰ Lanham Act § 2(d) (15 U.S.C. § 1052(d) (1988)).

⁹¹ 15 U.S.C. § 1052(e) (Supp. V 1993).

⁹² “Secondary meaning” or “acquired distinctiveness” have been described as “association with particular goods stemming from a single source.” See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753 (1992).

⁹³ See Lanham Act § 2(f) (15 U.S.C. § 1052(f) (Supp. V 1993)).

⁹⁴ *Id.*

⁹⁵ *Id.*

⁹⁶ 15 U.S.C. § 1052(e) (Supp. V 1993).

⁹⁷ S. REP. NO. 515, 100th Cong., 2d Sess. 44 (1988).

configurations where they function as trademarks.”⁹⁸

It is clear from the types of marks that are ineligible for protection that Congress deliberated a great deal in determining the metes and bounds of registrability of trademarks. Flags, indecent marks, deceptive material, dead presidents, and scandalous marks bear no resemblance to each other. The only thing they have in common is that Congress decided they should not be registered. In deciding what may and may not be registered, Congress could have easily included color along with dead presidents and scandalous marks. The statute and the legislative history, however, show that they deliberately chose not to include color in the categories of marks that are “off limits.” To the contrary, as stated above, the legislative history shows that Congress expressly intended to include color as one of the indicia of source that is to be protected.

The PTO followed Congress’ guidance. Further evidence of the registrability of color *per se* trademarks is found in the Trademark Manual of Examining Procedure (“TMEP”), the reference manual used by the examiners in the PTO to make registration determinations. The TMEP expressly states, “Color can function as a trademark if it is used on the goods in a manner of a trademark and if it is perceived by the public as identifying and distinguishing the goods on which it is used and indicating their source.”⁹⁹ Indeed, the PTO has been in the practice of granting registrations to color.¹⁰⁰

The issue of proper statutory construction has previously been

⁹⁸ *Id.* (emphasis added). The language in the Senate Report was taken almost verbatim from the United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors, in which the Commission “determined that the terms ‘symbol, or device’ should not be deleted or narrowed to preclude registration of such things as a color, shape, smell, sound, or configuration which functions as a mark.” 77 TRADEMARK REP. 375, 421 (1987). The USTA is now the International Trademark Association (“INTA”).

⁹⁹ TRADEMARK MANUAL OF EXAMINING PROCEDURE, § 1202.04(e), at 1202-13 (2d ed. 1993).

¹⁰⁰ *See, e.g.*, Reg. No. 1,271,312, dated Mar. 20, 1984 (the color silver or grey as applied to plastic jugs for commercial use); Reg. No. 1,438,035, dated Apr. 28, 1987 (the color green as applied to pipe insulation); Reg. No. 1,438,029, dated Apr. 28, 1987 (for the color blue as applied to plastic tubing); and Reg. No. 1,447,706, dated July 14, 1987 (for the color yellow as applied to inserts for the finger holes in bowling balls).

addressed several times by the Supreme Court. The proper “starting point in every case involving construction of a statute is the language itself.”¹⁰¹ The plain meaning of the statute’s language should control except in the “rare cases [in which] the literal application of a statute will produce a result demonstrably at odds with the intention of its drafters.”¹⁰² “In expounding a statute, [courts] must not be guided by a single sentence or member of a sentence, but look to the provisions of the whole law, and to its object and policy.”¹⁰³

Both the express language of the statute in section 2 and the legislative intent of Congress lead to only one conclusion: color may be protected and registered as a trademark. If color serves the purpose of identifying the source of goods and services, it is acting as much as a trademark as any other mark, name, or slogan, and therefore should be protected. There is simply no justification for establishing a blanket rule against registering color *per se* as a trademark.

IV. RECENT PRE-*QUALITEX* CIRCUIT COURT CASES

A. *In re Owens-Corning Fiberglas Corp.*

The first case decided by the federal appellate courts to correctly interpret the Lanham Act, and allow color *per se* to be registered as a trademark was *In re Owens-Corning Fiberglas Corp.*¹⁰⁴ *Owens-Corning* is an extremely important case, not only because the majority acknowledged and applied the intended changes in trademark law

¹⁰¹ *Landreth Timber Co. v. Landreth*, 471 U.S. 681, 685 (1985) (quoting *Blue Chip Stamps v. Manor Drug Stores*, 421 U.S. 723, 756 (1975) (Powell, J., concurring)).

¹⁰² *Griffin v. Oceanic Contractors, Inc.* 458 U.S. 564, 571 (1982).

¹⁰³ *Mastro Plastics Corp. v. NLRB*, 350 U.S. 270, 285 (1956) (quoting *United States v. Heirs of Boisdore*, 49 U.S. (8 How.) 113, 122 (1849)); *see also* *Pilot Life Ins. Co. v. Dedeaux*, 481 U.S. 41, 51 (1987); *Offshore Logistics, Inc. v. Tallentire*, 477 U.S. 207, 221 (1986).

¹⁰⁴ 774 F.2d 1116 (Fed. Cir. 1985).

brought about by the enactment of the Lanham Act, but also because of its dissent. The dissent has been cited almost verbatim by the majorities in cases that have followed, including *Qualitex*, thereby leading to the current inter-circuit split of authority.¹⁰⁵

Owens-Corning had colored its fiberglass insulation with the color "pink," and had engaged in extensive promotion and advertising, including a campaign with the "Pink Panther" character, to make the public identify the pink insulation with Owens-Corning. After several years of continuous use of the pink insulation, Owens-Corning applied to the PTO to register pink as a trademark.

The Trademark Examiner denied the application, and the case was appealed to the Trademark Trial and Appeals Board ("T.T.A.B."). The T.T.A.B. affirmed the Examiner's denial.¹⁰⁶ The Board ruled that the color pink did not function as a trademark, but was "mere ornamentation."¹⁰⁷ Interestingly enough, the Board did state that the overall color of a product *could* possibly be registered as a trademark if the color had acquired secondary meaning.¹⁰⁸

The Federal Circuit reversed the T.T.A.B. on appeal. In a thoughtful opinion by Judge Pauline Newman, the Federal Circuit first acknowledged that at common law, and prior to the Lanham Act, color was excluded from being considered a trademark. However, the court concluded, as a result of the passage of the Lanham Act, and the resultant expansion of the categories of potential marks, color *per se* could be registered. The court examined the legislative history and language of the Lanham Act, and cited language interpreting the Lanham Act from its predecessor court, the C.C.P.A.:¹⁰⁹

The legislative history of the Act as a whole describes its objective as making registration "more liberal," dispensing with "mere technical

¹⁰⁵ For further analyses of the *Owens-Corning* case, see Lee Burgunder, *Trademark Registration of Product Colors: Issues and Answers*, 26 SANTA CLARA L. REV. 581 (1986); Grewach, *supra* note 23; Henry, *supra* note 32; Janet R. Hubbard, *Think Pink! Color Can Be a Trademark*, 43 WASH. & LEE L. REV. 1433 (1986).

¹⁰⁶ 221 U.S.P.Q. (BNA) 1195 (T.T.A.B. 1984).

¹⁰⁷ 774 F.2d at 1124 (citing the prior decision by the Trademark Trial and Appeal Board, 221 U.S.P.Q. (BNA) 1195, 1198 (T.T.A.B. 1984)).

¹⁰⁸ 221 U.S.P.Q. (BNA) 1195, 1198 (T.T.A.B. 1984).

¹⁰⁹ 774 F.2d at 1118.

prohibitions and arbitrary provisions” and modernizing the trademark statutes “so that they will conform to legitimate present-day business practice.” The basic goal of the Act, which dealt with a good deal more than registration, was the “protection of trademarks, securing to the owner the good will of his business and protecting the public against spurious and falsely marked goods.” Accordingly, we consider the pre-Lanham Act decisions . . . to be inapt.¹¹⁰

The court continued:

Under the Lanham Act trademark registration became available to many types of previously excluded indicia. Change was gradual and evolutionary, as the Patent and Trademark Office and the courts were presented with new concepts. Registration has been granted, for example, for containers; product configurations; and packaging, even if subject to design patent protection; for tabs having a particular location on a garment; slogans; sounds; ornamental labels; and goods which take the form of the mark itself. The jurisprudence under the Lanham Act developed in accordance with the statutory principle that if a mark is capable of being or becoming distinctive of applicant’s goods in commerce, then it is capable of serving as a trademark.¹¹¹

After affirming the general proposition that color may serve as a trademark, provided that it meets the other requirements of protection, the court went on to consider the issues of functionality¹¹² and secondary meaning or acquired distinctiveness.¹¹³

¹¹⁰ *Id.* at 1119 (quoting *In re E.I. DuPont DeNemours & Co.*, 476 F.2d 1357, 1360 (C.C.P.A. 1973) (footnotes omitted)).

¹¹¹ *Id.* at 1119-20.

¹¹² See *supra* part II.C.

¹¹³ “Secondary meaning” or “acquired distinctiveness” is association in the minds of consumers of the source of the goods or services. “The easiest and least expensive manner of proving secondary meaning is to introduce evidence of [1] the amount and nature of advertising of the mark; [2] the length of time the mark has been in use; and [3] the amount of goods or services sold under the mark.” MCCARTHY, *supra* note 20, § 15.16, at 15-68; See also *Coach House Restaurant, Inc. v. Coach & Six Restaurant, Inc.*, 934 F.2d 1551 (11th Cir. 1991); *Conagra, Inc. v. Singleton*, 743 F.2d 1508, 1513 (11th Cir. 1984); *Robarb, Inc. v. Pool Builders Supply of the Carolinas, Inc.*, 21 U.S.P.Q.2d (BNA) 1743, 1745 (N.D. Ga. 1991), *aff’d*, 996 F.2d 1232 (11th Cir. 1993); *Jolly Good Indus. Inc. v. Elegra, Inc.*, 690 F. Supp. 227, 229 (S.D.N.Y. 1988) (citing *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 78 (2d Cir. 1985) (secondary meaning determined by “[1] substantial advertising expenditures; [2] phenomenal sales success; [3] unsolicited media coverage; [4] requests from third parties to license the use of its design; and [5] defendants, [sic] deliberate attempt to imitate its product.”)). In addition, in a modern economy, secondary meaning may be established in very little time as a result of advertising and promotion. See MCCARTHY, *supra* note 20, §

With respect to functionality, the court found that the pink color “serves the classical trademark function of indicating the origin of the goods, and thereby protects the public, as discussed in the legislative history of the Lanham Act.”¹¹⁴ The court also found that use of the mark “would not confer a ‘monopoly’ or act as a barrier to entry in the market” for other fibrous glass insulation manufacturers.¹¹⁵ In addition, the court found that the color pink had “no relationship to [the] production of fibrous glass insulation.”¹¹⁶ In short, the court found that Owens-Corning’s color pink satisfied all of the requisites for being a non-functional mark, and should be protected if it had achieved secondary meaning.

With respect to whether or not the mark had acquired distinctiveness or secondary meaning, the court considered the amount of advertising dollars expended by Owens-Corning to promote its pink insulation, the length of time that Owens-Corning had continuously used the color pink to identify its fiberglass insulation products, and survey evidence showing that the relevant public had come to associate pink insulation with Owens-Corning. The record indicated that Owens-Corning had actively promoted its pink fiberglass insulation since 1956.¹¹⁷ In addition, in the period between 1972 and 1981, Owens-Corning had expended more than \$42 million on advertising.¹¹⁸ Over \$11 million of that amount was spent in 1981

15.20[4], at 15-81 to -82.

¹¹⁴ 774 F.2d at 1123.

¹¹⁵ *Id.*

¹¹⁶ *Id.*

¹¹⁷ *Id.* at 1125. The court also noted that section 2(f) of the Lanham Act states, “[S]ubstantially exclusive use for a period of five years immediately preceding filing of an application may be considered *prima facie* evidence” of secondary meaning. 15 U.S.C. § 1052(f) (1988). See also *In re Hehr Mfg. Co.*, 279 F.2d 526, 528 (C.C.P.A. 1960).

¹¹⁸ 774 F.2d at 1125. The court also noted that the public had become familiar with the advertising campaign, and reproduced the text of one of Owens-Corning’s advertisements:

If you’d like to keep your house warmer in winter, cooler in summer . . . you’ll love that “pink.” Because now you can wrap your home in the comfort of pink Owens-Corning Fiberglas insulation, . . . you can take advantage of our best ever sales event. . . . You’ll never have a better opportunity to “think pink,” . . . buy “pink,” . . . install “pink” in time for the severe weather ahead. So, look for the special Pink Panther displays—with complete details—see how easy it is to “put your house in the pink” at [your local dealer].

alone.¹¹⁹ In considering the large amount of advertising, the court noted, “the size of advertising expenditures alone has been found to serve as strong evidence of secondary meaning.”¹²⁰

Although the Federal Circuit noted that in the case of color *per se* trademarks, the applicant “carries a difficult burden in demonstrating distinctiveness and trademark character”¹²¹ and that “each case must be considered on its merits,”¹²² the court, nonetheless, held that Owens-Corning had met its burden, and the PTO’s decision to deny registration was “clearly erroneous.”¹²³ The registration, therefore, was granted.

Judge Bissell’s dissent concentrated on the tradition in the courts of denying trademark protection to color *per se*. “I adhere to the view that ‘the law is well-settled today that the overall color of a product . . . cannot be a trade identity designation, nor is it entitled to registration.’”¹²⁴ “That was the law long before the 1946 Lanham Act, it continued to be the law after the Act, and it ought to be the law in this case.”¹²⁵ Judge Bissell continued:

More than two decades before the Lanham Act the Supreme Court applied that rule of law in denying trademark protection to color . . . announcing that “the coloring matter is free to all who can make it”¹²⁶ The

Id. at 1126.

¹¹⁹ *Id.* at 1125.

¹²⁰ *Id.* (quoting *Roux Lab., Inc. v. Clairol, Inc.*, 427 F.2d 823, 829 n.10 (C.C.P.A. 1970)). See also *RJR Foods Inc. v. White Rock Corp.*, 603 F.2d 1058, 1060 (2d Cir. 1979) (extensive advertising of plaintiff’s product properly considered in secondary meaning determination); *In re Hollywood Brands, Inc.*, 214 F.2d 139, 141 (C.C.P.A. 1954) (secondary meaning found when one-third of \$1.1 million in advertising was devoted to promoting the specific mark); 37 C.F.R. § 2.41 (1994) (an applicant may submit “evidence showing duration, extent and nature of use in commerce and advertising expenditures” to support a claim of secondary meaning or acquired distinctiveness).

¹²¹ 774 F.2d at 1127.

¹²² *Id.*

¹²³ *Id.* at 1128.

¹²⁴ *Id.* at 1128 (quoting 3 RUDOLPH CALLMANN, *THE LAW OF UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES*, § 18.13 (4th ed. 1983)) (alteration in original).

¹²⁵ *Id.*

¹²⁶ *Id.* (citing *Coca-Cola Co. v. Koke Co.*, 254 U.S. 143, 147 (1920)).

district courts also applied the rule prior to the Act. . . .¹²⁷

After the Act, all the regional circuit courts that confronted the issue continued to recognize the validity of the rule. . . .¹²⁸

Similarly, the Court of Customs and Patent Appeals has applied the rule.

. . .

The development of the jurisprudence under the Lanham Act distills into this rule: "A color, per se, is not capable of appropriation *as a trademark*."¹²⁹

Judge Bissell stated four main reasons for not allowing a color alone to be protected as a trademark, although, in reality, the four reasons were divisions of each other. The first reason was that of comity. Judge Bissell said:

While the decisions of the regional circuits are certainly not binding precedent on this court, they are entitled to at least a modicum of respect and deference. . . . Lawyers have advised clients, clients have conducted their affairs, litigants have won and lost and settled, all in light of the interpretation universally applied in the federal courts.¹³⁰

Although Judge Bissell's logic appears somewhat sound at first glance, upon closer examination, it is flawed. There is no reason to rely upon precedent, even if unanimous, if it is wrong. The fact that lawyers and litigants have relied on an incorrect interpretation of the law is no reason to continue the mistake as dogma.

Judge Bissell's second reason was really the same as the first. She

¹²⁷ *Id.* (quoting *Gillette Safety Razor Co. v. Triangle Mechanical Lab. Corp.*, 4 F. Supp. 319, 324 (E.D.N.Y. 1933) ("[A] concern, however, must clearly identify its product by something more distinctive and individual than mere color. . . . Color itself is free.") (alteration in original) and (*Radio Corp. of Am. v. Decca Records*, 51 F. Supp. 493, 495 (S.D.N.Y. 1943) ("for color qua color may not be a trademark"))).

¹²⁸ *Id.* (citing *Quabaug Rubber Co. v. Fabiano Shoe Co.*, 567 F.2d 154, 161 (1st Cir. 1977) ("[C]olor alone cannot be appropriated as a trademark."); *Volkswagenwerk Aktiengesellschaft v. Rickard*, 492 F.2d 474, 480 (5th Cir.) ("automobile manufacturer has no rights in color blue per se"); *Norwich Pharmacal Co. v. Sterling Drug, Inc.*, 271 F.2d 569, 572 (2d Cir. 1959) (pink color of "Pepto-Bismol" not protectable), *cert. denied*, 362 U.S. 919 (1960); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 467 F. Supp. 366, 374 (S.D.N.Y.) ("[A] person cannot acquire a trademark by color alone."), *aff'd*, 604 F.2d 200 (2d Cir. 1979); (additional citations omitted).

¹²⁹ *Id.* at 1128-29 (quoting 1 J. MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 7.16 (2d ed. 1984)).

¹³⁰ *Id.* at 1129.

stated that “there is no need to create such a division in the law.”¹³¹

Judge Bissell’s third reason discussed the fact that “the peculiar factual circumstances of this case might create a barrier to otherwise lawful competition in the home insulation trade. . . . [B]y reason of the dominance of Owens-Corning in the field . . . [n]ew entrants may be unable to effectively compete if barred from making pink insulation.”¹³² By making this statement, Judge Bissell makes her confusion about the functionality doctrine clear.¹³³ Judge Bissell is almost saying, by analogy, that Coca-Cola should not be allowed to protect the name, “Coke,” because if such protection were permitted, Coca-Cola could then prevent others from introducing a beverage named “Coke.” New market entrants may not appropriate the mark of a competitor, however, nothing prevents them from introducing a similar product with like physical properties—provided that the product is not covered by a valid patent. (That issue, however, is beyond the scope of this Article.)

Nothing about the color pink is related to the manufacture of fibrous glass insulation, or to the essential functional features of the product. Other manufacturers are free to choose any color, other than pink, for their similar products. The fact that Owens-Corning has a dominant share of the market does not prevent a competitor from introducing white, blue, or lime-green insulation. Owens-Corning should not be punished because of its extreme success in marketing its product.

Judge Bissell’s fourth and final argument for not granting protection was the shade confusion doctrine.¹³⁴ “[I]nfringement actions could soon denigrate [sic] into questions of shade confusion.”¹³⁵ As discussed in Part II.B., *supra*, the shade

¹³¹ *Id.*

¹³² *Id.* at 1130. Owens-Corning’s own advertising claims indicated that it had approximately a 75% market share of the home fiberglass insulation market.

¹³³ See *supra* part II.C.

¹³⁴ *Id.* at 1131.

¹³⁵ *Id.* In her dissent, Judge Bissell uses the word “denigrate.” The Seventh Circuit, in *NutraSweet*, 917 F.2d at 1027, and Professor McCarthy in his often cited treatise, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 7.16[1] at 7-69, both use the word “degenerate.” Degenerate seems to be the proper word. The AMERICAN HERITAGE

confusion doctrine runs contrary to both the spirit and law of trademarks.

The one thing conspicuously missing from Judge Bissell's dissent is an examination of the pertinent provisions of the Lanham Act itself. Bissell placed total reliance on cases holding that color is unprotectable. In adhering to this view, and ignoring both the literal language of the Lanham Act and its legislative history, Judge Bissell made the same mistake that other judges often have made by failing to overcome "legal inertia." For example, in the somewhat related field of copyright law, for over a decade after the Copyright Act of 1976 took effect, courts were still incorrectly applying both the common law and the Copyright Act of 1909 to "work for hire" situations. In doing so, the courts totally ignored the language of the statute and the legislative history, which made it clear that the presumption of ownership was completely reversed.¹³⁶

Also, in 1991, the Supreme Court, in *Feist Publications Co. v. Rural Telephone Service Co., Inc.*,¹³⁷ changed copyright law by expressly repudiating the "sweat of the brow" doctrine and denying protection to one of the oldest forms of copyrightable works—white page telephone directories. The Court essentially told every court in the country that courts had misunderstood copyright law since the *Jeweler's Circular*¹³⁸ case in 1922.¹³⁹ For sixty-nine years courts had been following the same principle regarding the protection of compilations—the wrong principle. The Supreme Court changed that in *Feist*.

Trademark protection has expanded dramatically over the years.

DICTIONARY (2d College Ed. 1985) defines "denigrate" as "1. to deny the importance of; belittle; 2. To calumniate the character or reputation; defame." In contrast, "degenerate" is defined as "1. To decline from a former or original state; deteriorate; 2. To fall below a normal or desirable state . . . 3. To decline or go down in quality." *Id.* at 376.

¹³⁶ See Michael B. Landau, "Works Made for Hire" After *Community for Creative Non-Violence v. Reid: The Need for Statutory Reform and the Importance of Contract*, 9 CARDOZO ARTS & ENT. L.J. 107 (1990).

¹³⁷ 499 U.S. 340 (1991).

¹³⁸ *Jeweler's Circular Publishing Co. v. Keystone Publishing Co.*, 281 F. 83 (2d Cir.), *cert denied*, 259 U.S. 581 (1922).

¹³⁹ *Feist*, 499 U.S. at 352-53.

Saying that “this is the way that it has always been, and therefore this is the way that it should be” in disregard of the changes in the law, is not applying the law.¹⁴⁰ As was so aptly stated by Holmes almost one-hundred years ago:

It is revolting to have no better reason for a rule of law than that so it was laid down in the time of Henry IV. It is still more revolting if the grounds upon which it was laid down have vanished long since, and the rule simply persists from blind imitation of the past.¹⁴¹

B. *NutraSweet Co. v. Stadt Corp.*

The next circuit court case involving color and trademark law was *NutraSweet Co. v. Stadt Corp.*,¹⁴² decided by the Seventh Circuit in 1990. Although also a Lanham Act case, *NutraSweet* dealt with trade dress protection under section 43(a) of the Lanham Act,¹⁴³ not registration under section 2.¹⁴⁴ The NutraSweet Company brought an action to protect the trade dress of its “blue” packets of artificial sweetener “Equal.”¹⁴⁵

A little bit of background information is helpful to fully understand the case. In approximately 1948, sugar packets appeared in

¹⁴⁰ The law has not only changed with respect to intellectual property, but with respect to societal issues, as well. If I had handed out leaflets protesting against World War I, I would have ended up “doing time,” for my activity was a “clear and present danger.” See *e.g.*, *Schenck v. United States*, 249 U.S. 47 (1919); *Abrams v. United States*, 250 U.S. 616 (1919). If I had protested against the Vietnam War (or “conflict”), I would have been engaging in the highest form of protected speech under the First Amendment, political speech. See, *e.g.*, *Cohen v. California*, 403 U.S. 15 (1970). Law that was well-established law for years went by the wayside as society changed. Segregation was abolished. See, *e.g.*, *Brown v. Board of Education*, 347 U.S. 483 (1954). So was school prayer. See, *e.g.*, *Lee v. Weisman*, 112 S. Ct. 2649 (1992); *Engel v. Vitale*, 370 U.S. 421 (1962). Abortion was legalized. See, *e.g.*, *Roe v. Wade*, 410 U.S. 113 (1973). Living organisms were allowed to be patented. See, *e.g.*, *Diamond v. Chakrabarty*, 447 U.S. 303 (1980). Following precedent merely because it is precedent is dead wrong.

¹⁴¹ Oliver Wendell Holmes, *The Path of the Law*, 10 HARV. L. REV. 457, 469 (1897).

¹⁴² 917 F.2d 1024 (7th Cir. 1990).

¹⁴³ 15 U.S.C. § 1125(a) (1988). A slightly altered version of § 43(a) can now be found at 15 U.S.C. § 1125(a) (Supp. V 1993).

¹⁴⁴ 15 U.S.C. § 1052 (1988 & Supp. V 1993).

¹⁴⁵ NutraSweet® is the registered trademark for the chemical aspartame.

restaurants and diners.¹⁴⁶ The packets were colored white.¹⁴⁷ From 1948 until 1958, white packets were the only packets containing sweeteners of any kind.¹⁴⁸ In 1958, defendant began to market a sugar substitute named “Sweet ‘N Low” and packaged it in pink packets to distinguish it from sugar.¹⁴⁹ In 1982, NutraSweet began to sell its sugar substitute “Equal” in a blue packet.¹⁵⁰ The record also indicated that a competing sugar substitute, “Sugar Twin,”¹⁵¹ was sold in yellow packets, and that packets of raw sugar, called “Sugar in the Raw”¹⁵² were sold in brown packets. Until 1988, it was relatively easy to distinguish the products from one another by the color of the packaging alone.

In 1988, defendant introduced another sugar substitute, “Sweet One.” “Sweet One” was also packaged in a blue packet, albeit of a slightly different shade of blue from the “Equal” packets.¹⁵³ Although the shades of blue were different, NutraSweet contended that “‘Sweet One’ [was] packaged in confusingly similar pastel blue packets.”¹⁵⁴ NutraSweet, therefore, brought a trade dress infringement action under section 43(a) of the Lanham Act.¹⁵⁵

Trade dress is slightly different from a trademark. The difference is primarily in the scope of what is protected; the test for infringement—the likelihood of confusion test—is the same for both trade dress and trademarks.

“A product’s trade dress is the overall image used to present it to purchasers.”¹⁵⁶ The trade dress may include features such as “size,

¹⁴⁶ *Nutrasweet*, 917 F.2d at 1025.

¹⁴⁷ *Id.*

¹⁴⁸ *Id.*

¹⁴⁹ *Id.*

¹⁵⁰ *Id.* at 1026.

¹⁵¹ *Id.* at 1026 n.3.

¹⁵² *Id.* at 1025 n.2.

¹⁵³ *Id.* at 1026.

¹⁵⁴ *Id.*

¹⁵⁵ *Id.*; 15 U.S.C. § 1125(a) (1988).

¹⁵⁶ *Nutrasweet*, 917 F.2d at 1027 n.7.

shape, color, [or] graphics.”¹⁵⁷ Packaging and labels may also be protected as trade dress.¹⁵⁸ In determining whether a product’s trade dress is protectable, courts should not analyze the individual elements of the trade dress alone; the entire appearance of the product must be viewed as a whole.¹⁵⁹ In addition, trade dress protects the unique combination of elements or features of the product or packaging, even if some of the elements or features alone are individually unprotectable.¹⁶⁰

In this case, NutraSweet attempted to claim that the color alone *was* the product’s trade dress. The court stated that “NutraSweet’s action for trade-dress infringement does not include any logos, designs or other markings on its ‘Equal’ packets.”¹⁶¹ The court therefore analyzed the case on protection of color principles alone.¹⁶²

In denying NutraSweet’s claim for trade dress infringement, the Seventh Circuit found Judge Bissell’s dissent in *Owens-Corning* quite persuasive, and followed her rationale for the denial of color

¹⁵⁷ *Id.* See also, *Two Pesos Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, 2755 n.1 (1992) (citing *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983)); *Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165, 1169 (11th Cir. 1991); *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1535 (11th Cir. 1986), *cert. denied*, 481 U.S. 1041 (1987); *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 75 (2d Cir. 1985) (citing *John H. Harland Co.*, 711 F.2d at 980).

¹⁵⁸ *Nutrasweet*, 917 F.2d at 1027 n.7.

¹⁵⁹ *AmBrit*, 812 F.2d at 1538; *John H. Harland Co.*, 711 F.2d at 980; *Robarb, Inc. v. Pool Builders Supply of the Carolinas, Inc.*, 21 U.S.P.Q.2d (BNA) 1743, 1746 (N.D. Ga. 1991), *aff’d*, 996 F.2d 1232 (11th Cir. 1993).

¹⁶⁰ See, e.g., *Qualitex Co. v. Jacobson Prods. Co.*, 13 F.3d 1297, 1303 (9th Cir. 1994), *cert. granted*, 115 S. Ct. 40 (1994) (mem.); *AmBrit*, 812 F.2d at 1535; *LeSportsac*, 754 F.2d at 75; *Warner Bros., Inc. v. Gay Toys, Inc.*, 724 F.2d 327, 332 (2d Cir. 1983); *John H. Harland Co.*, 711 F.2d at 980; *Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695, 700 (5th Cir. 1981), *cert. denied*, 457 U.S. 1126 (1982); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 203 (2d Cir. 1979); *Fundex, Inc. v. Imperial Toy Co.*, 26 U.S.P.Q.2d (BNA) 1061 (S.D. Ind. 1992); *Robarb*, 21 U.S.P.Q.2d at 1745; see also, *supra*, part II.C.2.

¹⁶¹ *Nutrasweet*, 917 F.2d at 1027 n.6.

¹⁶² The difference between the trade dress claim in *Qualitex*, in which the plaintiff prevailed, and the trade dress claim in *NutraSweet*, in which the plaintiff lost, was that in *Qualitex*, the plaintiff considered color as one of several elements of the trade dress, along with shape and placement of lettering. In *NutraSweet*, other possible elements of the trade dress were apparently not asserted. “NutraSweet’s overall trade-dress may be protected; but, it may not protect the mere color of its packet.” *Id.* at 1028.

trademark protection almost verbatim. Judge Reynolds,¹⁶³ again without engaging in any analysis of the statute or the legislative history, basically reprinted Judge Bissell's portion of the *Owens-Corning* opinion. The reasons given for denying NutraSweet's claim were: "[1] lawyers have advised clients . . . based upon the prevailing law in this circuit; [2] there is no need to change the law . . . ; [3] infringement actions could soon degenerate¹⁶⁴ into questions of shade confusion . . . ; [4] changing the law . . . might create a barrier to otherwise lawful competition in the tabletop sweetener market."¹⁶⁵

In addition to the Bissellian rationale, Judge Reynolds added a touch of color depletion theory to his analysis: "[I]f each of the competitors presently in the tabletop sweetener market were permitted to appropriate a particular color for its product, new entrants would be deterred from entering the market. The essential purpose of trademark law is to prevent confusion, not to bar new entrants into the market."¹⁶⁶ As stated earlier,¹⁶⁷ the color depletion theory is a highly unsound doctrine. In reality, a multitude of colors are available, and it is highly unlikely that competitors could ever be barred from the market based upon an exhaustion of the available color supply.

The *NutraSweet* opinion suffers from the same maladies as Judge Bissell's *Owens-Corning* dissent, namely a failure to examine the statute, and the application of outdated law as precedent, so as not to "make waves."¹⁶⁸

¹⁶³ The Honorable John W. Reynolds, Senior District Judge for the Eastern District of Wisconsin, was sitting on the Seventh Circuit Panel by designation.

¹⁶⁴ See *supra* note 135.

¹⁶⁵ 917 F.2d at 1027-28.

¹⁶⁶ *Id.* at 1028.

¹⁶⁷ See *supra* part II.A.

¹⁶⁸ Although in its facts, *NutraSweet* appears to be in conflict with *Owens-Corning*, the issues are slightly different: trade dress protection for color under section 43(a) in *NutraSweet*, and registrability of color *per se* under section 2 in *Owens-Corning*. The technical inter-circuit split did not really occur until *Qualitex*, which expressly dealt with the same issue as *Owens-Corning*, namely the registrability of color alone as a trademark. *Owens-Corning* and *Qualitex*, of course, reached polar results, necessitating the resolution by the Supreme Court.

C. *Master Distributors, Inc. v. Pako Corp.*

The next case dealing with the protection of a color trademark was *Master Distributors, Inc. v. Pako Corp.*,¹⁶⁹ decided by the Eighth Circuit in early 1993. Unlike *Owens-Corning*, the issue in *Master Distributors* was whether a common law color trademark could be enforced in an infringement action, not whether color could be registered.¹⁷⁰

Master Distributors, Inc (“MDI”) manufactured and sold a blue leader splicing tape, called “Blue Max.” The tape is attached to undeveloped film during photoprocessing.¹⁷¹ Most of the leader splicing tape made was traditionally colored black, although it could be manufactured in any color.¹⁷² In order to attempt to distinguish its tape from other leader tapes, MDI decided to dye its “Blue Max” tape blue.¹⁷³ The court found that “Blue Max” was well-known in the industry, and enjoyed a “reputation as the industry standard.”¹⁷⁴ In addition, both distributors and customers often ordered “Blue Max” by asking for “the blue tape.”¹⁷⁵ At other times they would simply just ask for “blue.”¹⁷⁶

A subsidiary of defendant Pako Corporation, Pakor, Inc., is a photographic supplies distributor, and was one of the midwestern distributors of MDI’s “Blue Max” leader tape.¹⁷⁷ Pakor started manufacturing and selling its own brand of blue leader splicing tape, “Pakor Blue.”¹⁷⁸ When MDI discovered Pakor’s activities, it

¹⁶⁹ 986 F.2d 219 (8th Cir. 1993).

¹⁷⁰ The issue is basically similar—should there be a *per se* rule against the protection of color *per se*. The difference between common law trademark protection and registrability is what technically prevented a specific inter-circuit split of authority until *Qualitex*, which like *Owens-Corning*, specifically dealt with the registrability issue.

¹⁷¹ 986 F.2d at 220.

¹⁷² *Id.*

¹⁷³ *Id.*

¹⁷⁴ *Id.*

¹⁷⁵ *Id.*

¹⁷⁶ *Id.*

¹⁷⁷ *Id.*

¹⁷⁸ *Id.*

initiated the lawsuit against Pakor. MDI alleged, *inter alia*, infringement of its common law trademark in the color blue.¹⁷⁹

Pakor moved for partial summary judgment on the issue of protection of the blue color of the tape.¹⁸⁰ The district court granted Pakor's motion and dismissed MDI's common law trademark claim based upon both a *per se* rule against protecting color, and the color depletion theory.¹⁸¹ MDI argued on appeal that the district court erred both in adopting a *per se* rule that color alone can never be protected as a trademark and for applying the color depletion theory to this specific case.¹⁸²

The Eighth Circuit's opinion is reminiscent of the opinion in *Owens-Corning*, in that it considers the language of the Lanham Act, the legislative history, and the proper function of trademark law in the United States. For purposes of the appeal, as a threshold matter, the Eighth Circuit assumed "that the color of leader splicing tape does not affect its function, that MDI [could] establish secondary meaning in the blue color of its tape, identifying and distinguishing it from other tapes, and that an infringing tape would confuse or mislead customers."¹⁸³ The only issues, therefore, for appeal were: "(1) whether, as a matter of law, color alone cannot be afforded trademark protection, and (2) if color alone can be protected, whether the district court properly applied the color depletion theory to this case."¹⁸⁴

The court began its opinion by recognizing that "[t]he United States Supreme Court has never expressly denied the possibility that color can be protected as a trademark."¹⁸⁵ "Likewise, we have not

¹⁷⁹ *Id.* at 220-21.

¹⁸⁰ *Id.*

¹⁸¹ *Id.* at 221; *see supra* part II.A.

¹⁸² 986 F.2d at 221.

¹⁸³ *Id.*

¹⁸⁴ *Id.*

¹⁸⁵ *Id.* (citing *A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.*, 201 U.S. 166, 170-71 (1906), *overruled on other grounds*, *United Mine Workers v. Gibbs*, 383 U.S. 715 (1966)).

[T]he Court denied infringement protection to a trademark consisting of an unspecified colored streak woven into a wire rope. The Court noted that "a trademark could not be claimed of a rope, the entire surface of which was colored," but also stated that it *might have sustained the registration if the plaintiff's claimed*

established a *per se* prohibition against protecting color as a trademark.”¹⁸⁶ The court then examined and discussed the two prior color cases in the federal appellate courts, *Owens-Corning*¹⁸⁷ and *NutraSweet*,¹⁸⁸ and found the Federal Circuit’s analysis in *Owens-Corning* to be the more persuasive of the two. “After an historical review of attempts to register or protect color trademarks, the court, in a detailed and persuasive discussion of the Lanham Act, concluded that color met the Act’s definition of ‘trademark,’ and was not specifically excluded from protection.”¹⁸⁹

The court then expressly rejected the three doctrines used by previous courts to deny protection to color:

We are not persuaded by the three traditional arguments against protection—the color depletion theory, shade confusion, and the functionality doctrine. Nor are we impressed by the argument that “consistency and predictability” require a *per se* prohibition against trademark protection for color alone. We believe that not allowing manufacturers to protect color marks when all the traditional requirements have been met will actually promote inconsistency and confusion.¹⁹⁰

The court went on to specifically discuss color depletion, shade confusion, and functionality in turn. With respect to color depletion, the court stated:

Proponents of the color depletion theory assert that there are only a few

trademark was restricted to one specific color, such as red.

Id. (quoting *Leschen & Sons*, 201 U.S. at 170) (emphasis added). “Ultimately, the Court declined to decide the color protection issue because the plaintiff’s claim was much broader than protecting one distinctive color.” *Id.* The opinion is pre-Lanham Act, and therefore does not answer the color protection issue.

¹⁸⁶ *Id.* Although the Eighth Circuit affirmed *Deere & Co. v. Farmhand, Inc.*, 560 F. Supp. 85, 96-98 (S.D. Iowa 1982), *aff’d*, 721 F.2d 253 (8th Cir. 1983) (*per curiam*), it explained that its

decision was not based on protection of color alone. The district court had found that the specific shade of green used on John Deere front end loaders was functional because farmers preferred to match the color of their loaders to the color of their tractors, and therefore, protection would hinder competition.

986 F.2d at 221. The Eighth Circuit stated that its opinion in *Deere & Co.* “did not discuss whether [non-functional] color alone could be protected.” *Id.* at 221-22.

¹⁸⁷ 774 F.2d 1116 (Fed. Cir. 1985).

¹⁸⁸ 917 F.2d 1024 (7th Cir. 1990).

¹⁸⁹ *Master Distribs.*, 986 F.2d at 222 (citing *Owens-Corning*, 774 F.2d at 1118-19).

¹⁹⁰ *Id.* at 223.

possible colors a manufacturer can choose for a product, and allowing one manufacturer to monopolize one color “in all of its shades” will inhibit competition.¹⁹¹ We agree that allowing a manufacturer to monopolize red “in all of its shades” would deplete the color choices available to other market participants. Allowing a manufacturer who has met all the normal requirements for obtaining trademark protection to protect a specific shade of color, however, is another matter. . . . More importantly, a manufacturer’s mere use of a certain color will not automatically grant it proprietary rights—the manufacturer must establish all the normal requirements for trademark protection, including secondary meaning. Until secondary meaning has been established in every distinguishable shade of color and in no color at all, a highly improbable situation, there will always be an option available to a new market entrant.¹⁹²

The court continued with a criticism of shade confusion:

Although protecting particular shades of color may result in some shade confusion problems, we agree that “deciding likelihood of confusion among color shades . . . is no more difficult or subtle than deciding likelihood of confusion where word marks are involved.” . . . Further, as with any technical issue, expert witnesses are available to testify regarding the similarity of the colors at issue.¹⁹³

Finally, the court discussed functionality:

The final traditional argument—the functionality doctrine—provides that if color is essential to the utility of a product or is the natural color of the product, then no party may acquire exclusive trademark rights in that feature or color. The majority in *Owens-Corning* recognized that, “[a]s with utilitarian features in general, when the color applied to goods serves a primarily utilitarian purpose it is not subject to protection as a trademark.” The functionality doctrine, therefore, is not inconsistent with protection of some color trademarks.¹⁹⁴

After dismissing the three doctrines relied upon by the courts to deny protection to color, the Eight Circuit—as the Federal Circuit did eight years earlier in *Owens-Corning*—looked to the literal language

¹⁹¹ *Id.* (citing *Campbell Soup Co. v. Armour & Co.*, 175 F.2d 795, 798 (3d Cir.), *cert. denied*, 338 U.S. 847 (1949)).

¹⁹² *Id.*

¹⁹³ *Id.* at 223-24 (quoting *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1123 (Fed. Cir. 1985) (quoting *In re Owens-Corning Fiberglas Corp.*, 221 U.S.P.Q. 1195, 1198 (T.T.A.B. 1984)).

¹⁹⁴ *Id.* at 224 (citation omitted) (citing *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1120-21 (Fed. Cir. 1985)).

of the Lanham Act, the legislative history of the Act, and the purpose of the Act,¹⁹⁵ and correctly “decline[d] to establish a per se prohibition against protecting color alone as a trademark.”¹⁹⁶

D. *International Jensen, Inc. v. Metrosound U.S.A., Inc.*

Six months prior to deciding *Qualitex*, the Ninth Circuit was presented with the color trademark issue in *International Jensen, Inc. v. Metrosound U.S.A., Inc.*¹⁹⁷ The Ninth Circuit, however, was able to skirt the issue of whether or not color *per se* should be protected as a trademark, by deciding the case on other grounds—likelihood of confusion.¹⁹⁸

International Jensen (“Jensen”) manufactured car and truck stereo loudspeakers.¹⁹⁹ A stereo loudspeaker consists of a frame, a cone, and a rubberized surround that allows the cone to move in and out and thereby reproduce different frequencies of music. In the 1970s, Jensen decided to color its surrounds “cyan blue” so as to distinguish them from surrounds on loudspeakers manufactured by other companies, and has been using cyan blue surrounds ever since.²⁰⁰ Jensen categorizes the speakers with the blue surround as its “Blue Surround trademark and trade dress.”²⁰¹

The defendant Metrosound began making speakers with blue surrounds in 1989.²⁰² The reason proffered by Metrosound for using

¹⁹⁵ See 774 F.2d at 1116; *supra* part IV.A.; see also *supra* part III.

¹⁹⁶ *Master Distribs.* 986 F.2d at 224.

¹⁹⁷ 4 F.3d 819 (9th Cir. 1993).

¹⁹⁸ The test for infringement of registered trademarks, unregistered trademarks, common law trademarks, and trade dress, is the likelihood of confusion test. See *supra* part II.B.

¹⁹⁹ 4 F.3d at 821.

²⁰⁰ *Id.*

²⁰¹ *Id.* The “Blue Surround” trademark and trade dress were, at the time, being asserted as an unregistered trademark and trade dress. Jensen had applied for a registration on the blue surrounds prior to the litigation; however, the registration had not yet issued by the time the case was being decided by the court. *Id.* I performed a quick search of a trademark database on Westlaw while writing this Article and did not find that the registration had issued.

²⁰² *Id.*

the blue surrounds was that “Metrosound tried to link its products with the ‘fun Southern California lifestyle, including activities associated with the beach and ocean.’”²⁰³ Because blue would remind people of the ocean, Metrosound colored its surrounds blue.²⁰⁴

Jensen became familiar with the allegedly infringing Metrosound products at the 1990 International Summer Consumer Electronics Show in Chicago, and filed an infringement action in the Northern District of Illinois.²⁰⁵ The district court in Illinois transferred the case to the Central District of California,²⁰⁶ where Jensen’s motion for a preliminary injunction was denied. In denying the motion, the court relied on issues of functionality, lack of secondary meaning, and a lack of likelihood of confusion.²⁰⁷ The district court held that the mark was unprotectable and that there was no likelihood of confusion.

On appeal, the Ninth Circuit had to consider whether the denial of the preliminary injunction²⁰⁸ was proper. In determining the

²⁰³ *Id.*

²⁰⁴ Actually, this was a smart justification for the coloring on the part of Metrosound’s counsel. Without saying so, they were trying to advance a functionality argument. *See supra* part II.C.

²⁰⁵ *International Jensen*, 4 F.3d at 821.

²⁰⁶ *Id.* *See also* *International Jensen Inc. v. Metrosound U.S.A., Inc.*, No. 91 C 0186, 1991 WL 94660 (N.D. Ill. May 30, 1991) (discussing transfer of venue).

²⁰⁷ *International Jensen*, 4 F.3d at 821. The district court’s denial of a preliminary injunction was an unreported opinion. The district court case, however, was referred to in the Ninth Circuit’s opinion.

The court found that due to functional constraints, most car loudspeakers are generally similar in appearance. Surrounds necessarily mirror the size and shape of the speaker cone and as a result are oval or circular. The court found many companies at one time or another have sold speakers with colored surrounds, including blue surrounds. Jensen was found to have not given any indication on its speakers or promotional materials that it specifically claimed trademark rights in the use of a blue surround.

Id.

²⁰⁸ “Traditionally, a court may issue a preliminary injunction if it determines: (1) The moving party will suffer irreparable injury if the relief is denied; (2) the moving party will probably prevail on the merits; (3) the balance of potential harm favors the moving party; and, depending on the nature of the case, (4) the public interest favors granting relief.” *Id.* at 822 (citing *Cassim v. Bowen*, 824 F.2d 791, 795 (9th Cir. 1987)). The Ninth Circuit “has also adopted an ‘alternative standard’ under which the moving party may meet its burden by demonstrating *either*: (1) a combination of probable success on the merits and the possibility of irreparable injury if relief is not granted; or (2) the existence of serious questions going to

likelihood of success on the merits, the court noted that in order to prevail on its trademark action, Jensen must show that the blue surround “(1) is nonfunctional; (2) is either inherently distinctive or has acquired a secondary meaning; and (3) is likely to be confused with Metrosound’s products by members of the consuming public.”²⁰⁹ The first two of these requirements go to the existence of a valid and protectable mark.²¹⁰ The third requirement goes to whether or not there is infringement. In order to prevail on a trademark infringement action, the plaintiff must prove both a valid mark and likelihood of confusion.

In holding that there was no error in the district court’s denial of Jensen’s preliminary injunction, the court went to the third prong, likelihood of confusion.²¹¹ The court noted that “[w]hen the overall appearance of the parties’ speaker products or packages are considered, the ‘total effect’ is distinctly different, obviating any likelihood of confusion”²¹² and that “because many other manufacturers use colored surrounds, purchasers were not likely to be confused as to the source of the speakers.”²¹³

There are potential errors in the court’s analysis of the likelihood of confusion. First, the court seemed to ignore the blue surround itself, or the appearance of the speakers with the blue surround. The infringement action did not involve the basic design of a loudspeaker; the action was about the blue surround or the appearance of speakers with a blue surround. Moreover, stating that other manufacturers use colored surrounds misses the point. Did others use *blue* surrounds?

the merits and that the balance of hardships tips sharply in its favor.” *Id.* “The alternative standards ‘are not separate tests but the outer reaches of a single continuum.’” *Id.* (citing *Regents of Univ. of Cal. v. American Broadcasting Cos.*, 747 F.2d 511, 515 (9th Cir. 1984)). “Essentially, the trial court must balance the equities in the exercise of its discretion.” *Id.*

²⁰⁹ *International Jensen*, 4 F.3d at 823 (citing *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, 2758 (1992)). The reference to *Two Pesos* is specifically with respect to prong 2, which concerns inherent distinctiveness. *International Jensen* is the first case decided after *Two Pesos* to bring up the inherent distinctiveness issue. The effect of *Two Pesos* on color trademark cases is discussed later. See *infra* part VII.

²¹⁰ If the mark is not protectable, there can be no infringement; the case is over.

²¹¹ *International Jensen*, 4 F.3d at 825.

²¹² *Id.* (quoting language from the unpublished district court opinion).

²¹³ *Id.*

Second, the court's order of analysis is interesting. Usually, the threshold issue is whether or not the mark may be protected and enforced. By concentrating on the likelihood of confusion, the court conveniently avoided discussing the protectability of color *per se* in general. The court did not take a stand one way or the other. "We need not decide whether to abandon the color depletion theory. Nor need we determine whether the district court's findings as to functionality were correct."²¹⁴

V. *QUALITEX CO. v. JACOBSON PRODUCTS CO.*

The case that created the inter-circuit split of authority with regard to the specific issue of whether or not color *per se* is capable of being registered is *Qualitex Co. v. Jacobson Products Co.*²¹⁵ Decided in January of 1994, the Ninth Circuit adopted an absolute rule against the registration of color *per se*. Ironically, in spite of the fact that the Ninth Circuit held that Qualitex's trademark was invalid, and ordered it canceled, the court protected the trade dress of Qualitex's "green-gold" press pad.

Qualitex manufactures and sells various products for dry cleaners, laundries, and garment manufacturers.²¹⁶ Qualitex began manufacturing and selling its "green-gold" "SUN GLOW" press pad for use on dry cleaning presses in 1957. After over 30 years of continuous use of the color mark, Qualitex filed for trademark registration of its green-gold color. The registration issued on February 5, 1991.²¹⁷ The defendant, Jacobson, began manufacturing and marketing a similar press pad, called "Magic Glow" in 1989.²¹⁸ The cover of Jacobson's press pad was the same green-gold color as the cover of Qualitex's "SUN GLOW" pad, and the names of the pads

²¹⁴ *Id.* at 824.

²¹⁵ 13 F.3d 1297 (9th Cir. 1993), *cert. granted*, 115 S. Ct. 40 (1994) (mem.).

²¹⁶ *Id.* at 1300.

²¹⁷ *Id.*

²¹⁸ *Id.*

were similar.²¹⁹

Qualitex filed suit on March 9, 1990, and alleged trade dress infringement in violation of section 43(a) of the Lanham Act.²²⁰ After the registration issued in 1991, Qualitex amended the complaint to include an action for registered trademark infringement under section 32(1) of the Lanham Act.²²¹ As defenses, Jacobson claimed that its product did not infringe, that it did not engage in unfair competition, and that Qualitex did not have a valid interest to assert because color is not protectable as a trademark.²²² The district court found that Jacobson had infringed both Qualitex's registered trademark in the green-gold color and its trade dress.²²³

On appeal, the court first dealt with the trademark issue. The Ninth Circuit began the opinion by recognizing that:

Registration of mere color is not explicitly barred by the Lanham Act, which provides that, "[n]o trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration"²²⁴ . . . unless one of the specific exceptions to registrability set forth in 15 U.S.C. § 1052 applies. Color is not listed as an exception.²²⁵

The court, therefore, clearly recognized that unlike the case of "scandalous, immoral, or deceptive" marks,²²⁶ flags,²²⁷ or dead presidents,²²⁸ color is not expressly prohibited by the Lanham Act. Its inquiry with respect to whether color *may* be registered should have stopped there, and moved to whether or not the mark was distinctive.

Although the court recognized that there is no statutory prohibition to registering color, it nevertheless decided to look to prior cases, especially *Owens-Corning*,²²⁹ *NutraSweet*,²³⁰ and *Master*

²¹⁹ *Id.*

²²⁰ 15 U.S.C. § 1125(a) (Supp. V 1993).

²²¹ *Id.* § 1114(1).

²²² *Qualitex*, 13 F.3d at 1300.

²²³ *Id.*

²²⁴ 15 U.S.C. § 1052 (Supp. V 1993).

²²⁵ *Qualitex*, 13 F.3d at 1301.

²²⁶ 15 U.S.C. § 1052(a) (1988).

²²⁷ *Id.* § 1052(b).

²²⁸ *Id.* § 1052(c).

²²⁹ *See supra* part IV.A.

*Distributors*²³¹ for guidance. Despite the fact that the courts in both *Owens-Corning* and *Master Distributors* held that there was no *per se* bar to registering color, and that color should be registered if it meets the other requirements, the Ninth Circuit was more influenced by *NutraSweet*.²³²

We conclude that the better rule is that a trademark should not be registered for color alone. As many cases have noted, under the color depletion theory, no person should have a monopoly on a primary color. We recognize that there are countless shades of colors that could not be depleted, but then, we could well become involved in “shade confusion.”²³³

There are several things wrong with the court’s holding with respect to registration. First, “unique ‘green-gold’”²³⁴ is not a primary color. Second, for the reasons expressed in Part II.B., the shade confusion doctrine is fatally flawed, and third, the court totally disregarded the express statutory language and the presumption of validity for registered marks. “A certificate of registration is *prima facie* evidence of the validity of [a] [trade]mark. . . . It shifts the burden of proof to the contesting party, who must introduce sufficient evidence to rebut the presumption of the holder’s right to protected use.”²³⁵ That quote is about the extent of the court’s analysis of the presumption of validity in *Qualitex*. The *Qualitex* decision renders the presumption of validity of a registered mark a fraud. Arguing that there is a danger of color depletion, when there is precedent,²³⁶ literal statutory language, legislative history, and policy of the

²³⁰ See *supra* part IV.B.

²³¹ See *supra* part IV.C.

²³² Although *NutraSweet* was a trade dress case under section 43(a), the court cited it directly for the proposition that color “is not entitled to registration.” *Qualitex*, 13 F.3d at 1302. Registration was never an issue in *NutraSweet*. By definition, trade dress is unregistered; if it were registered, the action would have fallen under Lanham Act § 32(1) (15 U.S.C. § 1114(1) (1988 & Supp. V 1993)) and not under § 43(a) (15 U.S.C. § 1125(a) (1988)), which only applies to unregistered marks.

²³³ *Qualitex*, 13 F.3d at 1302.

²³⁴ *Id.* at 1300.

²³⁵ *Id.* at 1301 (citing *Vuitton et Fils S.A. v. J. Young Enters., Inc.*, 644 F.2d 769, 775 (9th Cir. 1981)).

²³⁶ See *supra* parts IV.A., IV.C.

PTO²³⁷ that are squarely against it, is not sufficient to overcome the burden upon the party challenging the trademark to negate the presumption of validity. The Ninth Circuit was wrong in not giving more deference to the registration.

Despite the court's cancellation of the registration and denial of protection of the green-gold trademark, the Ninth Circuit held that Qualitex still could have Lanham Act protection because Jacobson had infringed Qualitex's trade dress under section 43(a) of the Lanham Act²³⁸ by appropriating the "total impression" of the Qualitex press pad.²³⁹ While the Ninth Circuit is correct that Qualitex's color may be protected under section 43(a), the court is incorrect in implying that the extent of protection is equivalent. If a mark is not registered, the trademark owner may not have the benefit of 1) *prima facie* evidence of the validity of the mark, ownership of the mark, and the exclusive right to use the mark in commerce;²⁴⁰ 2) constructive notice of the owner's claim to ownership under 15 U.S.C. § 1072; 3) the opportunity to prevent importation of counterfeit goods;²⁴¹ 4) the opportunity to initiate an action under 15 U.S.C. § 1116(d) of the Lanham Act to prevent the use of counterfeit marks; and 5) the opportunity to take advantage of section 15 of the Lanham Act which allows a mark to become "incontestable" after five years of continuous use.²⁴² It should be noted that, in general, the remedies available for

²³⁷ See *supra* part III.

²³⁸ Section 43(a) of the Lanham Act provides in pertinent part:

(a)(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125 (1988 & Supp. V 1993).

²³⁹ *Qualitex*, 13 F.3d at 1304.

²⁴⁰ See 15 U.S.C. § 1057(b) (1988).

²⁴¹ See *Id.* § 1124; *K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988).

²⁴² See 15 U.S.C. § 1065 (1988).

violations of both Sections 32(1) and 43(a) are the same.²⁴³

In a schizophrenic portion of the opinion, the Ninth Circuit essentially equated the color green-gold with Qualitex's trade dress.

[T]he trade dress of the "SUN GLOW" press pad was non-functional. . . . Qualitex's use of the *green-gold color* was aesthetic only; was not related in any way to the product's use, cost, quality, or longevity; was used to associate the color with the "SUN GLOW" press pads; and was more expensive than other colors. . . . [W]e conclude that it was not error for the district court to conclude that "there is no competitive need for the *green-gold color*, since other colors are equally useable" and that "the range of tones of available distinctive suitable colors . . . is in the hundreds if not thousands."²⁴⁴

In addition, in the portion of the opinion examining the secondary meaning of the trade dress, the court emphasized secondary meaning acquired by the green-gold color.

[N]early all advertising and promotion have highlighted the *green-gold color* of the pad. Qualitex has run advertisements featuring the press pad's *green-gold color* on a monthly basis for the last 30 years in a leading magazine aimed at the dry cleaner market. There was evidence that readers of a trade publication associated the green-gold color with Qualitex.²⁴⁵

The only possible reference to anything besides color that could conceivably be part of Qualitex's trade dress was a brief reference to the placement of the print on the press pads. "Jacobson stamps 'MAGIC GLOW' on the side or skirt portion of the press-pad cover, which is the same portion of the pad where Qualitex stamps 'SUN GLOW.'"²⁴⁶ The court's entire analysis of trade dress protection is essentially based upon the green-gold color of the product.²⁴⁷

Granting relief for infringement of the overall green-gold trade dress, while canceling the registration for the green-gold trademark is schizophrenic, especially considering that the court relied upon

²⁴³ See *Id.* § 1117(a).

²⁴⁴ *Qualitex*, 13 F.3d at 1304 (emphasis added).

²⁴⁵ *Id.* (emphasis added).

²⁴⁶ *Id.* at 1305.

²⁴⁷ Some people may attempt to distinguish *NutraSweet* based upon the statement in the case that *NutraSweet* did not attempt to protect the markings on the packets. The essential element of *NutraSweet*'s trade dress was the blue color; the essential element of *Qualitex*'s trade dress was the green-gold color.

NutraSweet, a section 43(a) trade dress case, for canceling the registration, and essentially ignored *NutraSweet* in the trade dress part of the decision. It also makes no sense that shade confusion and color depletion concerns were raised in the trademark section, while in the trade dress section there were “hundreds, if not thousands” of “suitable colors.”²⁴⁸ In addition, trade dress does not enjoy a presumption of validity, while a registered trademark does. It appears as though the different portions of the opinion were written by different people who were present at different cases. If one of the goals of trademark law as expressed by Judge Reynolds in *NutraSweet* is “[c]onsistency and predictability of the law,”²⁴⁹ the Ninth Circuit, in *Qualitex*, has fallen far short of achieving that goal. There is now more confusion with respect to color than ever before.

VI. THE PRACTICAL EFFECT OF THE *QUALITEX* DECISION

As stated in the Introduction, the *Qualitex* decision has established a mechanism by which the Ninth Circuit can trump the Federal Circuit and the PTO regarding the issuance of validly registered color *per se* trademarks. The federal courts have the power to decide issues of both infringement and validity of marks in trademark cases. If a court believes that a trademark does not meet the requirements of registrability under section 2 of the Lanham Act,²⁵⁰ it may cancel the trademark’s registration.

Because the circuit courts of appeal have the power to order cancellation of a trademark, the problems with this inter-circuit split are especially acute. For one, forum shopping will be an obvious result. As stated above, the Federal Circuit follows the policy of upholding the protectability of color.²⁵¹ Moreover, the Federal

²⁴⁸ *Qualitex*, 13 F.3d at 1304.

²⁴⁹ *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1027 (7th Cir. 1990), *cert. denied*, 499 U.S. 983 (1991).

²⁵⁰ 15 U.S.C. § 1052 (1988 & Supp. V 1993).

²⁵¹ *See supra* part IV.A.

Circuit is the forum to which most appeals from the PTO are sent.²⁵² Should another court have the power to cancel trademarks that have been held valid by both the PTO and the Federal Circuit?

Consider this hypothetical. An applicant attempts to register the color "day-glow-lime-green" in connection with computer floppy disks. The trademark application initially is rejected by the Examiner. The case then goes to the T.T.A.B. The Board accepts the application, and issues the registration for color *per se*. The pending registration is published in the Official Gazette.²⁵³ During the prescribed 30-day period, a third party files an opposition. The case goes through the PTO, and later ends up in the Federal Circuit. The Federal Circuit allows the registration for color. The trademark registration then issues.

Manufacturer A then sells its day-glow-lime-green floppy disks.

²⁵² 15 U.S.C. § 1071 (1988).

²⁵³ Prior to the issuance of a federal registration, the mark that has been approved is published in the "Official Gazette." Parties then have thirty days from publication to notify the PTO if they wish to oppose the registration. The trademark statute that provides for opposition proceedings is Lanham Act § 13 (15 U.S.C. § 1063 (1988)). The statute provides as follows:

(a) Any person who believes that he would be damaged by the registration of a mark upon the principal register may, upon payment of the prescribed fee, file an opposition in the Patent and Trademark Office, stating the grounds therefor, within thirty days after the publication under subsection (a) of section 1062 of this title of the mark sought to be registered. Upon written request prior to the expiration of the thirty-day period, the time for filing opposition shall be extended for an additional thirty days, and further extensions of time for filing opposition may be granted by the Commissioner for good cause when requested prior to the expiration of an extension. The Commissioner shall notify the applicant of each extension of the time for filing opposition. An opposition may be amended under such conditions as may be prescribed by the Commissioner.

(b) Unless registration is successfully opposed—(1) a mark entitled to registration on the principal register based on an application filed under section 1051(a) of this title or pursuant to section 1126 of this title shall be registered in the Patent and Trademark Office, a certificate of registration shall be issued, and notice of the registration shall be published in the Official Gazette of the Patent and Trademark Office; or (2) a notice of allowance shall be issued to the applicant if the applicant applied for registration under section 1051(b) of this title.

Id. For a thorough discussion of opposition proceedings, see generally, J. THOMAS MCCARTHY, 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, §§ 20.01-20.12 (1994).

There are no brand-name markings on the disks so the only way that customers recognize them is by their color. Manufacturer A enjoys considerable success with the sale of its day-glow-lime-green disks, and other manufacturers are envious.

Several years after the trademark issues, but not more than five years, owing to the "incontestability" provisions of the Lanham Act,²⁵⁴ a competing manufacturer B, who has not been using the color covered by the registration, notices the success of the colored products. Manufacturer A, with the color trademark, has built up substantial goodwill, and customers know that the day-glow-lime-green computer floppy disks are manufactured by A. Manufacturer B decides to appropriate the goodwill of A by using A's exact shade of day-glow-lime-green on its floppy disks to increase sales, possibly by taking some of A's customers. B does not make a better product—it just wants to use A's mark.

Accomplishing this after *Qualitex* is easy. Manufacturer B files a declaratory judgment action in federal court in California. The district courts are bound by the decision in *Qualitex*. Therefore, the court, following precedent, cancels the registration. The trademark is canceled despite the fact that it has been validly registered, and that its validity has already been adjudicated by the Federal Circuit.

This scenario would apply not only to the registration of day-glow-lime-green, but also to any registration for any color *per se* trademark. Essentially, the Ninth Circuit can overrule the Federal Circuit regarding color every time. One circuit court should not have that kind of power over another.²⁵⁵ If the Federal Circuit is the ultimate

²⁵⁴ Under 15 U.S.C. § 1065 (1988), a mark achieves "incontestable" status after five years of continuous use after a registration issues, provided that the proper affidavit is filed. After that time, a trademark may only be canceled for certain limited reasons, expressly set forth in the statute. Actually the term "incontestable" is a misnomer. A better term would be "relatively incontestable." For a discussion of incontestability, see *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189 (1985).

²⁵⁵ A similar result could occur under a statutory option provided for in 15 U.S.C. § 1071(b). Section 1071(b) authorizes a party to take an appeal from the Patent and Trademark Office directly to a district court instead of going to the Federal Circuit. 15 U.S.C. § 1071(b) (1988). This method, although not used very often, could actually make it easier for one who wishes to oppose the registration to be successful. A party opposing a color mark could, after the issue has gone through the PTO, take the appeal to a district court in

arbitrator of the fate of applications as they travel through the administrative process, shouldn't it be afforded some deference? The Ninth Circuit should not be effectively able to overrule the Federal Circuit regarding the same trademark in any case involving color *per se*.²⁵⁶

Federal statutes should be applied in a uniform manner.²⁵⁷ In today's economy, manufacturers sell their products throughout the entire country. Manufacturers and companies expend a great deal of time, effort, and money developing goodwill in their color marks and promoting products identified by color marks. Customers rely upon the marks as efficient means of identification of the source and quality of goods. The current uncertainty in the law is disruptive to their businesses and will cause much confusion. The present state of the law goes against the spirit and letter of the Lanham Act, which is designed to diminish confusion and promote national consistency in interstate commerce. In light of *Qualitex*, how does an attorney advise a client with respect to the use of a color mark? What should one tell a client who wishes to register a color trademark? Is it

California—assuming that jurisdiction could be obtained. 15 U.S.C. § 1071(b) provides as follows:

Whenever a person authorized by subsection (a) of this section to appeal to the United States Court of Appeals for the Federal Circuit is dissatisfied with the decision of the Commissioner or Trademark Trial and Appeal Board, said person may, unless appeal has been taken to said United States Court of Appeals for the Federal Circuit, have remedy by a civil action if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in subsection (a) of this section. The court may adjudge that an applicant is entitled to a registration upon the application involved, that a registration involved should be canceled, or such other matter as the issues in the proceeding require, as the facts in the case may appear. Such adjudication shall authorize the Commissioner to take any necessary action, upon compliance with the requirements of law. However, no final judgment shall be entered in favor of an applicant under section 1051(b) of this title before the mark is registered, if such applicant cannot prevail without establishing constructive use pursuant to section 1057(c) of this title.

Id.

²⁵⁶ This type of problem cannot exist in patent law. The Court of Appeals for the Federal Circuit hears appeals from both the PTO and from any district court in which an infringement action is initiated. The same court, therefore, handles all appeals regarding both pre-issuance patentability and post-issuance validity and infringement.

²⁵⁷ See *supra* note 1.

enough to keep one's products and presence out of the states covered by the Ninth Circuit?

In addition, as a result of *Qualitex*, as I read the case, there is an inter-circuit split of authority with respect to trade dress infringement. In both *Qualitex* and *NutraSweet*, color was the essential element of the trade dress. The size and shape of the respective sweetener packets and press-pad probably could not be protected owing to functional concerns. In *NutraSweet*²⁵⁸ color was denied trade dress protection; in *Qualitex*,²⁵⁹ color was protected. A possible difference between the two cases could be in the nature of the colors, but that was not discussed. The only other way to reconcile the decisions is that the placement of the product name was considered part of the trade dress in *Qualitex* and not in *NutraSweet*.²⁶⁰

Unfortunately, the issue of protection of color in a trade dress case will not be resolved soon. The only issue that the Supreme Court will decide is the registrability of color.

VII. THE EFFECT OF *TWO PESOS, INC. V. TACO CABANA, INC.* ON PROTECTION OF COLOR

In June of 1992, the Supreme Court decided *Two Pesos, Inc. v. Taco Cabana, Inc.*²⁶¹ *Two Pesos* was a trade dress²⁶² case

²⁵⁸ See *supra* part IV.B.

²⁵⁹ See *supra* part V.

²⁶⁰ After *Qualitex*, plaintiffs would be well advised to include all of the minutia of the product in the trade dress claim: the letters, the placement of the letters, the color of the print, the size of the packet, etc.

²⁶¹ 112 S. Ct. 2753 (1992).

²⁶² "Trade dress" is the total image and overall appearance of a product. It may include features such as "size, shape, color or color combinations, texture, graphics, or even particular sales techniques." *Id.* at 2755 n.1 (quoting *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983)). In *Two Pesos*, the district court instructed the jury that the trade dress may include "the shape and general appearance of the exterior of the restaurant, the identifying sign, the interior kitchen floor plan, the decor, the menu, the equipment used to serve food, the servers' uniforms and other features reflecting the total image of the restaurant." *Id.*

involving the overall appearance of a Mexican fast-food restaurant.²⁶³ The Supreme Court took the case to settle an inter-circuit split of authority regarding whether secondary meaning had to be established in order to protect an inherently distinctive trade dress.²⁶⁴ Some courts had held that secondary meaning needed to be established in order to protect unregistered trademarks and trade dress under section 43(a).²⁶⁵ Other courts required secondary meaning to be proven only in those cases in which the trade dress was not distinctive in and of itself.²⁶⁶ The Supreme Court clarified the secondary meaning and Lanham Act protection issue.

In the opinion, the Court held that because both trade dress and trademarks are governed by the Lanham Act, the same principles should apply to both with respect to the requirements for protection.²⁶⁷ Therefore, the secondary meaning or "acquired distinctiveness" requirements should be the same for both trademarks and trade dress. In addition, by referring to the language of section 2,²⁶⁸ the Court made it clear that the standards for protection should be the same in both infringement actions, and in registration proceedings.²⁶⁹ In resolving the secondary meaning or "acquired distinctiveness" issue, the Court first discussed the different categories of marks that are eligible for protection:

²⁶³ The trade dress in question was described as "a festive eating atmosphere having interior dining and patio areas decorated with artifacts, bright colors, paintings and murals. The patio includes interior and exterior areas with the interior patio capable of being sealed off from the outside patio by overhead garage doors. The stepped exterior of the building is a festive and vivid color scheme using top border paint and neon stripes. Bright awnings and umbrellas continue the theme." *Id.* at 2755 (citing *Taco Cabana Int'l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1117 (5th Cir. 1991)).

²⁶⁴ The issue that was certified was "whether trade dress which is inherently distinctive is protectable under section 43(a) without a showing that it has acquired secondary meaning." *Id.* at 2757.

²⁶⁵ See, e.g., *Vibrant Sales, Inc. v. New Body Boutique, Inc.*, 652 F.2d 299 (2d Cir. 1981), *cert. denied*, 455 U.S. 909 (1982).

²⁶⁶ See, e.g., *Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695, 702 (5th Cir. 1981), *cert. denied*, 457 U.S. 1126 (1982). The Fifth Circuit followed *Chevron* in reaching its decision in *Two Pesos*.

²⁶⁷ *Two Pesos*, 112 S. Ct. at 2757.

²⁶⁸ 15 U.S.C. § 1052 (1988).

²⁶⁹ *Two Pesos*, 112 S. Ct. at 2757.

Marks are often classified in categories of generally increasing distinctiveness; following the classic formulation set out by Judge Friendly, they may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful.²⁷⁰ . . . The latter three categories of marks, because their intrinsic nature serves to identify a particular source of a product, are deemed *inherently distinctive* and are entitled to protection. In contrast, generic marks . . . are not registrable as trademarks.

. . . However, descriptive marks may acquire distinctiveness which will allow them to be protected under the Act. . . . This acquired distinctiveness is generally called "secondary meaning." . . .

The general rule regarding distinctiveness is clear: an identifying mark is distinctive and capable of being protected if it either (1) is inherently distinctive or (2) has acquired distinctiveness through secondary meaning.²⁷¹

Therefore, under the Supreme Court's holding in *Two Pesos*, "arbitrary," "fanciful," and "suggestive" marks may be protected without a showing of secondary meaning. A trademark is arbitrary or fanciful if when applied to a product or service it "has no inherent relationship to the product or service with which it is associated."²⁷² A trademark is suggestive if it "requires imagination, thought and perception to reach a conclusion as to the nature of the goods."²⁷³ "An arbitrary, fanciful, or otherwise distinctive [design] qualifies for trademark protection immediately, because in a particular industry it

²⁷⁰ See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

²⁷¹ *Two Pesos*, 112 S. Ct. at 2757-58 (emphasis added) (citations omitted).

²⁷² *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 974 (11th Cir. 1986); see, e.g., *Fleischman Distilling Corp. v. Maier Brewing Co.*, 314 F.2d 149 (9th Cir.) (arbitrary mark is "Black & White" Scotch Whiskey), *cert. denied*, 374 U.S. 830 (1963); *Mustang Motels, Inc. v. Patel*, 226 U.S.P.Q. (BNA) 526 (C.D. Cal. 1985) (arbitrary mark is "Mustang" in connection with a hotel); *Lambda Elecs. Corp. v. Lambda Technology, Inc.*, 515 F. Supp. 915 (S.D.N.Y. 1981) (arbitrary mark is "Lambda" in connection with computer equipment); see also *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1537 n.4 (11th Cir. 1986), *cert. denied*, 481 U.S. 1041 (1987).

²⁷³ MCCARTHY, *supra* note 20, § 11.21[1] at 11-107 (quoting *Stix Products, Inc. v. United Merchants & Mfgs., Inc.*, 295 F. Supp. 479 (S.D.N.Y. 1968)). Examples of suggestive marks include "Acoustic Research" for stereo loudspeakers, see *Bose Corp. v. International Jensen, Inc.*, 963 F.2d 1517 (Fed. Cir. 1992); "Chicken of the Sea" for canned tuna, see *Van Camp Sea Food Co. v. Packman Bros.*, 4 F. Supp. 522 (D.N.J. 1933), *aff'd*, 79 F.2d 511 (3d Cir. 1935); and "At A Glance" calendars, see *Cullman Ventures, Inc. v. Columbian Art Works, Inc.*, 717 F. Supp. 96 (S.D.N.Y. 1989).

has no particular meaning to overcome.”²⁷⁴ There is, therefore, no secondary meaning requirement. Traditionally, suggestive marks also qualify for protection without a showing of secondary meaning. A descriptive mark, in contrast, “conveys an immediate idea of the ingredients, qualities, or characteristics of the goods.”²⁷⁵ Secondary meaning must be established in order to protect a descriptive mark.

There are potential problems in applying the holding of *Two Pesos* to cases involving color marks. First, almost all marks that are not functional will be arbitrary or fanciful. For example, the pink in *Owens-Corning*,²⁷⁶ the green-gold in *Qualitex*,²⁷⁷ the blue in *Master Distributors*,²⁷⁸ and the day-glow-lime-green in the hypothetical above²⁷⁹ all bear no relationship whatsoever to the physical attributes or functional properties of the products with which the colors are associated. In a strict sense, they should be arbitrary, and no showing of secondary meaning should be required for trademark protection.

The same would also apply, however, with respect to primary colors. If a computer manufacturer decided to color its computers red, blue, or yellow, the color would have no relationship to the use or function of the product, and, strictly speaking, should be considered arbitrary. As discussed in the section on the color depletion theory,²⁸⁰ although there are a myriad of colors from which to choose, courts may again be tempted to raise color depletion concerns with respect to primary color marks to deny protection.²⁸¹

²⁷⁴ *University of Ga. Athletic Ass'n v. Laite*, 756 F.2d 1535, 1540-41 (11th Cir. 1985) (quoting 3 RUDOLPH CALLMANN, *THE LAW OF UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES* §§ 19.25, 19.26, at 19-79, 19-85 (4th ed. 1983)).

²⁷⁵ *Id.*

²⁷⁶ *See supra* part IV.A.

²⁷⁷ *See supra* part V.

²⁷⁸ *See supra* part IV.C.

²⁷⁹ *See supra* part IV.

²⁸⁰ *See supra* part II.A.

²⁸¹ As noted, however, in *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527 (Fed. Cir. 1994), *petition for cert. filed*, 63 U.S.L.W. 3487 (U.S. Dec. 19, 1994) (No. 94-1075), “The functionality limitation on trademark protection properly subsumes any lingering policy concerns embodied in the ‘color depletion theory.’ The theory is *not* a per se bar to registration of color marks. . . . Thus, if the use of color . . . serves a *non-trademark* purpose

A second problem arises under *Two Pesos*. With respect to other types of marks, such as word marks, a suggestive mark is protected immediately, without a showing of secondary meaning. A descriptive mark may also be protected upon a showing of secondary meaning or acquired distinctiveness under section 2(f) of the Lanham Act. However, with respect to color marks, as discussed above, color marks that are suggestive, such as Pepto-Bismol pink,²⁸² or color marks that are descriptive, such as the colors of Life Savers,²⁸³ are usually deemed “functional” by the courts, and therefore not suitable for trademark protection. Strict adherence to *Two Pesos* would mean that suggestive color trademarks should be protected immediately without a showing of secondary meaning—for they would be “inherently distinctive”—and descriptive color trademarks should be granted protection upon a showing of secondary meaning or “acquired distinctiveness.” It is difficult to reconcile this broad language of *Two Pesos* with the practical marketplace realities of the use of color marks and with the functionality doctrine generally.

Despite the holding in *Two Pesos*, in color trademark cases, courts—even those courts that have correctly interpreted the Lanham Act—still apply the secondary meaning test to cases involving color marks. *Owens-Corning* and *NutraSweet* were decided before *Two Pesos* was decided. *Qualitex* and *Master Distributors*, however, were decided after *Two Pesos*, yet still concentrated on secondary meaning.

The concepts of “arbitrary,” “fanciful,” “suggestive,” and “functional” are judicially created; there is no such express language in the statute. While color should not be denied trademark protection solely because of its status,²⁸⁴ in certain situations, it may be proper to make it more difficult to obtain trademark status by requiring a showing of secondary meaning for all non-functional color marks. This was alluded to in *Owens-Corning* by reference to the difficult

that *hinders competition*, the de jure functionality doctrine precludes trademark protection. Only in that sense does the ‘color depletion theory’ have any viability.” *Id.* at 1532 (emphasis added).

²⁸² *Norwich Pharmacal Co. v. Sterling Drug, Inc.*, 271 F.2d 569 (2d Cir. 1959), *cert. denied*, 362 U.S. 919 (1960).

²⁸³ *Life Savers Corp. v. Curtiss Candy Co.*, 182 F.2d 4 (7th Cir. 1950).

²⁸⁴ See 15 U.S.C. § 1052 (1988 & Supp. V 1993).

burden faced by color *per se* applicants.²⁸⁵

VIII. PROPOSAL

The resolution by the Supreme Court, expected by mid-1995, should obviate the need for congressional action with respect to the threshold issue of whether color *per se* may be registered as a trademark. Depending, however, upon how far the High Court goes in its opinion, there still may be a need for congressional legislation to clarify how and when color *per se* trademarks meet the other requirements for protectability.

I, therefore, propose an amendment to section 2 of the Lanham Act that will clarify when and how color *per se* marks should be registered. The new section should read as follows:

Section 2(g): Registrability of Color *Per Se* Marks: A color that is used to identify the source of goods or services may be registered provided that said color is primarily used in a non-functional manner and has acquired distinctiveness. The Commissioner may accept as *prima facie* evidence that the mark has become distinctive, as used on or in connection with the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made.²⁸⁶

The requirement of attaining acquired distinctiveness should apply for all types of color marks. By requiring secondary meaning, it will be clear that the color is functioning as a mark—identifying the source of goods or services to the public—before it is protected. While there may be some users of color marks who will be disadvantaged owing to a second-comer's use before secondary meaning is proven,

²⁸⁵ *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1127 (Fed. Cir. 1985); *see also supra* part IV.A. Although not discussed in *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527 (Fed. Cir. 1994), *petition for cert. filed*, 63 U.S.L.W. 3487 (U.S. Dec. 19, 1994) (No. 94-1075), the secondary meaning requirement also takes care of most "color depletion" concerns.

²⁸⁶ Much of the language tracks the language in section 2(f), 15 U.S.C. § 1052(f) (1988); however, there are certain changes regarding functionality that specifically deal with color. Section 2(f) does not deal with functionality at all.

requiring secondary meaning will not create too much of a burden on applicants or users, and will be more in line with the spirit of the Lanham Act. Without this requirement, any non-functional color would be deemed protected as soon as it is used. Requiring proof of secondary meaning will make it much more difficult to protect primary colors. This concern is not, however, unique to color; in practice, it is more difficult to protect a commonly occurring surname as a trademark than it is to protect an unusual or uncommon name. In addition, requiring non-functionality and a showing of secondary meaning will eliminate any problems reconciling the color *per se* cases with the broad holding in *Two Pesos*.

In addition, since Congress has the power to regulate trademarks, promulgation of specific requirements for the protection of color should not run afoul of the letter of the law. After all, Congress developed the categories of unprotectable marks and the requirement for protection of descriptive and misdescriptive marks in section 2.²⁸⁷ Congress has in the recent past amended The Copyright Act of 1976, The Patent Act, and other sections of the Lanham Act in response to changes in society, the realities of the marketplace, technology, or unpalatable court decisions.²⁸⁸ It would not be all

²⁸⁷ 15 U.S.C. § 1052 (1988 & Supp. V 1993).

²⁸⁸ For example, Congress amended the Lanham Act in 1988 ("Trademark Law Revision Act of 1988"). Congress has also amended the Copyright Act several times in recent years. The "Copyright Remedy Clarification Act" enacted in late 1990, eliminated State Sovereign Immunity in infringement actions, modified section 501, and created a new section 511. 17 U.S.C. §§ 501, 511 (1988 & Supp. V 1993). The "Visual Artists Rights Act of 1990" ("VARA") created a new section 106A, and created private rights for artists to, *inter alia*, object to alterations and mutilations of their work, and demand or remove attribution from works. 17 U.S.C. § 106A (Supp. V 1993). The VARA also created an additional subsection in section 101, "work of visual art." 17 U.S.C. § 101 (Supp. V 1993). In 1992, as a result of numerous cases involving "fair use" and unpublished works, Congress amended section 107 of the Copyright Act, 17 U.S.C. § 107 (1992), to deal with the unpublished status of a work in "fair use" analysis. Also in 1992, Congress passed the "Home Audio Recording Act" which provided for royalties for the sale of digital recording media, and which for the first time, expressly provided that home audio recording for personal purposes was not an act of infringement. The "Home Audio Recording Act" is codified in Chapter 10 of Title 17. 17 U.S.C. § 111 (1990 and Supp. V 1993). In 1992, Congress passed the "Patent Remedy Clarification Act" to eliminate State Sovereign Immunity in patent and Lanham Act cases. 35 U.S.C. § 296 (Supp. V 1993). Much of the language parallels the "Copyright Remedy Clarification Act." In addition, section 105 was added to the Patent Act to provide for

that unusual for Congress to make a statutory amendment once again.

In order to meet the secondary meaning or acquired distinctiveness requirement, owners and users of color marks should be certain to develop and document evidence of the extent of advertising and promotion, sales, requests for products, customer association, and media attention.²⁸⁹ In addition, in promoting the product, it is important that the advertisements stress the trademark nature of the color and the use of color to identify source. It might not be enough to merely show that the company spent a great deal of money on advertising.

IX. CONCLUSION

Often color is just as effective as any other type of mark in identifying the source of goods, and therefore serving as a trademark. Manufacturers, distributors, and other commercial concerns often expend much energy and money to promote the color of a product, instead of a picture or name, as the identifier of source. The properly chosen color can attract customers and identify a product's source as

"Patents in Space." 35 U.S.C. § 105 (Supp. V 1993). For more discussion of recent intellectual property legislation, see also Michael B. Landau, *Multicellular Vertebrate Mammals as "Patentable Subject Matter" Under 35 U.S.C. § 101: Promotion of Science and the Useful Arts or an Open Invitation for Abuse?*, 97 DICK. L. REV. 203 (1993).

On December 8, 1994, President Clinton signed PL-103-465, implementing the General Agreement on Tariffs and Trade ("GATT") and the Agreement on Trade Related Aspects of Intellectual Property ("TRIPS"). The TRIPS agreement and GATT have direct effects upon the intellectual property rights of both United States citizens and foreigners. Certain provisions, such as those regarding rental of computer programs and protection for sound recordings and music videos, became effective immediately. Other provisions, such as the provision that allows certain works that have fallen into the public domain in the United States, but not in the country of origin, to be reclaimed, will become effective in one year.

Some of the changes as a result of the GATT and TRIPS are substantial. Amendments to the Copyright Act of 1976, such as the addition of the new Chapter 11, "Sound Recordings and Music Videos," have already become effective. See 17 U.S.C. § 1101 (1995).

²⁸⁹ See William J. Keating, *Development of Evidence to Support Color-Based Trademarks*, 9 J.L. & COM. 1 (1989), for a thorough discussion of the types of evidence needed to satisfy the "secondary meaning" requirement.

well as any other type of trademark. In addition, by identifying the source of the goods and services, the color trademark serves the efficient role of identifying and setting forth numerous valuable pieces of information about the product, such as quality, reliability, service or seller network, and relative expense.

Color, if it serves to identify the source of goods or services, should be entitled to as much trademark protection as any name, drawing, logo, graphic, or other common trademark. Color, by itself, certainly should be afforded the same amount of protection as color in combination with a shape. It makes no sense to protect a specific non-functional color if it is the color of a hexagon on a product, but not to protect it if it is the color of the product or dominant features of the product itself. There is no reason to treat color as a trademark pariah.

The *Qualitex* case runs counter to the literal statutory language of the Lanham Act, as well as the legislative intent, and the established practice of the PTO. The "better approach" articulated by the Ninth Circuit is not "better" at all, but instead a deliberate decision to ignore the law and formulate its own rules. As stated above, the oral arguments were presented to the Supreme Court on January 9, 1995, so the issue will be resolved soon. The Court should follow the logic of the Federal Circuit in *Owens-Corning* and hold that color *per se* may be registered, provided that it, indeed, serves as a trademark.

In addition, if the Supreme Court does not enunciate specific requirements and standards for the protection of color *per se*, Congress should amend the Lanham Act to expressly provide for the protection of non-functional colors, provided that secondary meaning is shown. The proposed amendment would end confusion and promote certainty, in order to facilitate a smoothly running national system of federal trademark protection. "[L]egal rules should be convenient to handle. . . . The rules should be certain, readily understood, not unduly complicated, as easy as possible to apply."²⁹⁰

²⁹⁰ Zechariah Chaffee Jr., *Reflections on the Law of Copyright: I*, 45 COLUM. L. REV. 503, 514 (1945).