

COLOR ALONE AS A VALID TRADEMARK

For years product manufacturers have used shapes, words and colors to distinguish their products from those of their competitors. The United States Patent & Trademark Office (the "Trademark Office") recognized this marketplace reality by permitting registration of a particular color where the applicant shows that its consumers recognize that color as a trademark. For example, the Trademark Office has registered the color pink for fiberglass, and the colors yellow and green for farm machinery. But courts around the nation have been inconsistent in their opinions concerning the protectability of color. One court denied protection for the color blue for packets of EQUAL brand aspartame, and another court held that the PRESTONE antifreeze bright yellow jug was not a protectable trademark, so that competitors of this product could use the same color and shape on their antifreeze products as well.

This uncertainty has placed manufacturers in the vulnerable position of spending substantial resources to build up consumer goodwill in package designs and colors, only to have those designs copied in substantial part by knock-offs. One such company, Qualitex, has for years colored its dry cleaning press pads with a specific green-gold shade. When its rival, Jacobson Products, began to use a similar color on its own press pads, Qualitex registered its color with the U.S. Patent and Trademark Office and sued Jacobson for infringement. The District Court found Qualitex's registered color trademark did, indeed, identify and distinguish Qualitex's press pads (the traditional function of a trademark), and that Jacobson's press pads infringed Qualitex's mark. The Ninth Circuit, however, reversed and ordered the trademark registration cancelled, opining that the Lanham Trademark Act does not permit registration of color alone as a trademark. Qualitex petitioned the United States Supreme Court for a writ of certiorari, and a unanimous Supreme Court reversed the Ninth Circuit in *Qualitex Co. v. Jacobson Products Co. Inc.*, ___ U.S. ___ (No. 93-1577, March 28, 1995).

The federal courts have been deeply divided on the issue of protectability of colors as trademarks. The First, Third, Seventh, Ninth and Eleventh Circuits followed the rule that color alone was not protectable based on the "color depletion" theory. See, e.g., *AmBrit, Inc. v. Kraft, Inc.*, 805 F.2d 974 (11th Cir. 1986), cert. denied, 481 U.S. 1041 (1987). The Federal and Eighth Circuits held the opposite view. See, e.g., *Master Distributors, Inc. v. Pako Corp.*, 986 F.2d 219, 224 (8th Cir. 1993).

The rationale behind the "color depletion" rule is that only a certain number of colors exist, and granting trademark rights in given colors would eventually result in few or no colors being available to other competitors. See, e.g., *NutraSweet Co. v. Stadt Corp.*, 917 F.2d 1024, 1028 (7th Cir. 1990). While this may have historically been the case, now hundreds of color pigments are manufactured and thousands of colors can be obtained by mixing them so that, normally, alternative colors will likely be available for similar use by others. See, e.g., *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1121 (Fed. Cir. 1985)(color pink for fiberglass insulation registrable as trademark). In the rare situation where this is not the case, the trademark doctrine of "functionality" is available to prevent any anti-competitive consequences by forbidding use of a product's feature as a trademark where the feature is "essential to the use or

purpose of the article" or "affects [its] cost or quality." *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 851 n. 11 (1982).

The "functionality" defense arises when it is necessary for a manufacturer to use a particular color to indicate some characteristic of the product. For example, a green color that indicates a mint-flavored mouthwash, the color black as applied to marine outboard engines, or a blue color that indicates a nitrogen-based fertilizer will likely be considered functional colors and therefore not protectable as trademarks. See, *Nor-Am Chemical v. O. M. Scott & Sons Co.*, 4 U.S.P.Q.2d 1316, 1320 (E.D. Pa. 1987).

Manufacturers and consumers have known for years that it is the source-distinguishing ability of a trademark -- not its status as color, shape, fragrance, word or sign -- that permits it to serve the purpose of a trademark. Color, like shape or words, is an effective device to carry brand meaning to a consumer. Non-functional shapes of products have long been protectable and registrable, for example the classic COKE bottle. In addition, certain sounds, like the NBC chimes, are also protectable as trademarks. And recently, the Trademark Office registered a plumeria scent for sewing thread and embroidery yarn. *In re Clarke*, 17 U.S.P.Q.2D 1238, 1240 (T.T.A.B. 1990); see, Registration Nos. 696,147, 523,616, and 916,522. It has been contradictory to ignore the role that color plays in consumer selection decisions.

In the *Qualitex* decision, the United States Supreme Court resolves the inconsistency among the federal courts, holding that "sometimes, a color will meet ordinary legal trademark requirements. And, when it does so, no special legal rule prevents color alone from serving as a trademark." (p. 1). To meet "ordinary legal trademark requirements," however, the color must be shown to have acquired distinctiveness.

"We cannot find in the basic objectives of trademark law any obvious theoretical objection to the use of color alone as a trademark, where that color has attained 'secondary meaning' and therefore identifies and distinguishes a particular brand (and thus indicates its 'source')." (p. 4). The Supreme Court considered and rejected Jacobson's argument that protecting colors per se as trademarks will create uncertainty, observing, "Courts traditionally decide quite difficult questions about whether two words or phrases or symbols are sufficiently similar, in context, to confuse buyers." (p. 8). The Court similarly dismissed Jacobson's argument that colors are in limited supply, observing that the doctrine of functionality is available to prevent anticompetitive consequences. (p. 10). Inconsistent Supreme Court cases decided prior to the passage of the Lanham Act were not persuasive. The Court observed that its ruling is consistent with the protections afforded by the Trademark Act, which was amended by Congress in 1988, as well as with the clear Trademark Office policy of permitting registration of color as a trademark. The U.S. Trademark Association (now the International Trademark Association) has long advocated protectability of color marks, as well.

The *Qualitex* decision makes it the law of the land that a trademark owner, who can prove its consumers associate a particular color with the source of its products, will be able to prohibit the use of confusingly similar colors by its competitors for their products, provided this does not produce any prohibited anti-competitive consequences. This decision will help achieve the statutory goal of nationwide protection of registered marks for colors and will serve as an impediment to the "knock off" of strong color

marks. Perhaps most important is that the Supreme Court's decision mirrors the reality of the marketplace. Consumers frequently select products based upon colors of the product or the product packaging. Often consumer choices are based on one color alone because, in many instances, consumers have come to associate a particular color with the originator of a particular product.

The Supreme Court's ruling will help manufacturers secure the significant resources they devote to creating brand awareness. It will also help protect consumers from mistakenly making purchases based on confusion due to the similarities in color trademarks used on products.