

1996

## Trademark Law - Lanham Trademark Act of 1946 - Trademark Registration

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### Recommended Citation

Richard W. James, *Trademark Law - Lanham Trademark Act of 1946 - Trademark Registration*, 34 Duq. L. Rev. 419 (1996).

Available at: <https://dsc.duq.edu/dlr/vol34/iss2/10>

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TRADEMARK LAW—LANHAM TRADEMARK ACT OF 1946—TRADEMARK REGISTRATION—The United States Supreme Court held that when a color meets the ordinary requirements of a trademark, there is no special rule preventing color alone from serving as a trademark.

*Qualitex Co. v. Jacobson Products Co.*, 115 S. Ct. 1300 (1995).

Qualitex Co. (“Qualitex”) has manufactured and sold press pads for use in the dry cleaning and garment manufacturing industries since approximately 1957.<sup>1</sup> For over thirty years Qualitex used the same unique green-gold colored fabric on its press pads.<sup>2</sup> In 1989, Jacobson Products Co. (“Jacobson”) began selling press pads in a similar green-gold color.<sup>3</sup> Qualitex subsequently registered the green-gold color as a trademark in the United States Patent and Trademark Office on February 5, 1991.<sup>4</sup>

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1. *Qualitex Co. v. Jacobson Products Co.*, 115 S. Ct. 1300, 1302 (1995). A press pad is a cover used on a dry cleaning press. *Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297, 1300 (9th Cir. 1994), *rev'd*, 115 S. Ct. 1300 (1995).

2. *Qualitex*, 115 S. Ct. at 1302.

3. *Id.*

4. *Id.* The Qualitex green-gold color was registered as a trademark in the United States Patent and Trademark Office as Registration No. 1,633,711. *Id.* A trademark is “a distinctive mark of authenticity, through which the products of particular manufacturers or the vendible commodities of particular merchants may be distinguished from those of others.” BLACK’S LAW DICTIONARY 1493 (6th ed. 1990). Trademark law protects the first user to place goods bearing a mark in commerce and does not require exclusive use of the mark at the time of registration. *See Jewel Cos. v. The Westhall Co.*, 413 F. Supp. 994, 1000 (N.D. Ohio 1976) (arguing first users’ rights should be protected out of a sense of fairness). The Supreme Court followed the rule set forth in *Jewel*, and thus Qualitex’s registration of its green-gold color in 1991 was valid, although registration occurred two years after Jacobson began using the same color on its press pads. *Qualitex*, 115 S. Ct. at 1308.

The United States Patent and Trademark Office is:

A federal agency in the Department of Commerce headed by the Commissioner of Patents and Trademarks. In addition to the examination of patent and trademark applications, issuance of patents, and registration of trademarks, the Patent and Trademark Office (PTO) sells printed copies of issued documents; records and indexes documents transferring ownership; maintains over 20 million documents, including U.S. and foreign patents and U.S. trademarks; provides search rooms for the public to research their applications; hears and decides appeals from prospective inventors and trademark applicants; participates in legal proceedings involving the issue of patents or trademark registrations; helps represent the United States in international efforts to cooperate on

Qualitex's purchasers primarily recognize its press pads because of their distinctive green-gold color.<sup>5</sup> Qualitex achieved this recognition through the expenditure of approximately \$1,621,000 over a thirty-year period in advertisements to the dry cleaning and garment manufacturing industries stressing the color of its press pads.<sup>6</sup> Over a thirty year period, Qualitex sold more than one million green-gold press pads and acquired a reputation for making the best press pads in the business.<sup>7</sup> Until Jacobson began using the green-gold color on its press pads in 1989, only Qualitex had used a similar color.<sup>8</sup> Because of Qualitex's exclusive use of the green-gold color and its extensive advertising, segments of the press pad market had grown to identify Qualitex press pads almost exclusively by their color.<sup>9</sup> Certain purchasers even ordered press pads by telephone simply by describing the pads' color.<sup>10</sup> Through public identification of Qualitex with green-gold colored pads, Qualitex had developed secondary meaning in the green-gold color.<sup>11</sup>

The Supreme Court adopted the district court's findings of fact with regard to Jacobson's use of the same green-gold color used on Qualitex press pads.<sup>12</sup> The district court found that Jacobson's inferior quality press pads were sold through the same distributors as the Qualitex press pads and created a

patent and trademark policy; compiles the Official Gazettes—a weekly list of all patents and trademarks issued by the PTO; and maintains a roster of agents and attorneys qualified to practice before the PTO.

BLACK'S LAW DICTIONARY 1126 (6th ed. 1990).

5. *Qualitex*, 115 S. Ct. at 1304-05. The District Court for the Central District of California found that "most dry cleaning businesses are small, family owned, and family run establishments, many of whom are foreign speaking with limited skills in reading or speaking English," therefore, it was important that non-English speaking customers be able to identify Qualitex press pads simply by color. *Qualitex Co. v. Jacobson Products Co.*, 21 U.S.P.Q.2d 1457, 1458 (C.D. Cal. 1991), *rev'd*, 13 F.3d 1297 (9th Cir. 1994), *rev'd*, 115 S. Ct. 1300 (1995).

6. *Qualitex*, 21 U.S.P.Q.2d at 1458. Since at least 1970, Qualitex has featured color advertisements of its press pads in the American Drycleaner Magazine, the leading trade magazine. *Id.* Qualitex also advertises its green-gold press pads in the Korean Drycleaners Times, the Drycleaners News, the Bobbin and other magazines, distributes bulletins and flyers at trade shows and sends brochures and mailers promoting the press pads' green-gold color. *Id.*

7. *Id.* Nineteen of twenty-two award winning dry cleaners used Qualitex press pads for the last twenty years. *Id.* at 1459.

8. *Id.* at 1458.

9. *Id.*

10. *Id.*

11. *Qualitex*, 21 U.S.P.Q.2d at 1458. Secondary meaning is acquired when, "in the minds of the public, the primary significance of a product feature . . . is to identify the source of the product rather than the product itself." *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.11 (1982).

12. *Qualitex*, 115 S. Ct. at 1308.

likelihood of confusion between Jacobson and Qualitex press pads.<sup>13</sup> The district court further determined that this confusion had the potential to cause purchasers who wished to purchase Qualitex press pads to mistakenly purchase Jacobson press pads, and thus unfairly take business away from Qualitex.<sup>14</sup> In addition to adopting the district court's findings, the Supreme Court noted that an inferior quality product passed off as a Qualitex product may also have caused Qualitex to lose future sales because of a perceived lowering of product standards.<sup>15</sup>

Qualitex's green-gold color was found by the district court to be a non-functional symbol of Qualitex in the press pad industry.<sup>16</sup> The district court noted that the color is specially applied and is not the press pad material's natural and functional yellowed off-white color.<sup>17</sup> The green-gold color, the court reasoned, does not make the press pads perform better or last longer and has no effect on the quality of the pads.<sup>18</sup> The court stated that while coloring of some sort makes the press pads more pleasing in appearance, the green-gold shade is more expensive than other colors.<sup>19</sup> The green-gold color, the court opined, gives Qualitex no competitive advantage over other press pad manufacturers except to identify the press pads' source as Qualitex.<sup>20</sup> The district court entered judgment against Jacobson for infringement of Qualitex's registered trademark for the green-gold color on its press pads and denied Jacobson's counterclaim for cancellation of the registered green-gold trademark.<sup>21</sup>

The Ninth Circuit Court of Appeals reversed the judgment of

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13. *Qualitex*, 21 U.S.P.Q.2d at 1459.

14. *Id.*

15. *Qualitex*, 115 S. Ct. at 1303 (discussing the "financial [and] reputation-related rewards associated with a desirable product").

16. *Qualitex*, 21 U.S.P.Q.2d at 1461. A feature of goods is "non-functional" if it does not affect their purpose, action of performance, or the facility or economy of processing, handling or using them. BLACK'S LAW DICTIONARY 1654 (6th ed. 1990). Functional features are protected by patent law and are not protected by trademark law. *Qualitex*, 21 U.S.P.Q.2d at 1461. Therefore, lack of functionality of the color was a critical element in Qualitex's trademark suit. *Id.*

17. *Qualitex*, 21 U.S.P.Q.2d at 1459.

18. *Id.* at 1460. The district court found that the green-gold dye did not make the press pads perform better or affect the quality or life of the pads. *Id.* The district court also found that the green-gold dye was more expensive than other colors appropriate for coloring press pads and, therefore, afforded no competitive advantage. *Id.*

19. *Id.*

20. *Id.*

21. *Id.* at 1462.

the district court on Qualitex's trademark infringement claim on the ground that there was a prohibition on the use of color alone as a trademark.<sup>22</sup> The court of appeals also reversed the judgment against Jacobson on Jacobson's counterclaim for cancellation of the trademark after determining that the trademark was invalid and should be canceled.<sup>23</sup> The United States Supreme Court granted certiorari to resolve a disagreement among the courts of appeal as to whether a color may be recognized as a valid trademark.<sup>24</sup>

The United States Supreme Court unanimously reversed the Ninth Circuit Court of Appeals on the issue of whether a trademark may consist solely of a color and the Court reinstated the district court's holding.<sup>25</sup> Justice Breyer, writing for the Court, discussed the Lanham Trademark Act's (the "Lanham Act") requirements for a valid trademark.<sup>26</sup> The Court first stated that a trademark must be a "word, name, symbol, or device, or any combination thereof."<sup>27</sup> The Court defined a "symbol" or "device" as almost anything capable of carrying meaning, including a color.<sup>28</sup> The Court then discussed the requirement that an entity attempting to protect its mark must use, or intend to use, the mark to identify and distinguish its goods.<sup>29</sup> Finally, the Court examined a Lanham Act condition that requires that a mark must have achieved secondary meaning if it is not fanciful, arbitrary, or suggestive.<sup>30</sup> The

22. *Qualitex Co. v. Jacobson Products Co.*, 13 F.3d 1297, 1305 (9th Cir. 1994), *rev'd*, 115 S. Ct. 1300 (1995).

23. *Qualitex*, 13 F.3d at 1305.

24. *Qualitex Co. v. Jacobson Products Co.*, 115 S. Ct. 40 (1994) (granting certiorari).

25. *Qualitex*, 115 S. Ct. at 1308.

26. *Id.* at 1302. See 15 U.S.C. §§ 1051-1127 (1994). See *infra* notes 75-82 and accompanying text for a discussion of the Lanham Act.

27. *Qualitex*, 115 S. Ct. at 1302.

28. *Id.* at 1302-03. A trademark may include "any word, name, symbol, or device, or any combination thereof." 15 U.S.C. § 1127 (1994). Justice Breyer opined that "[s]ince human beings might use as a 'symbol' or 'device' almost anything at all that is capable of carrying meaning, this language, read literally, is not restrictive." *Qualitex*, 115 S. Ct. at 1302-03. Justice Breyer cited as examples of valid trademark "symbols," cases in which "[t]he courts and Patent and Trademark Office have authorized for use as a mark a particular shape (of a Coca-Cola bottle), a particular sound (of NBC's three chimes), and even a particular scent (of plumeria blossoms on sewing thread)." *Id.* at 1303.

29. *Qualitex*, 115 S. Ct. at 1303.

30. *Id.* See 15 U.S.C. § 1052 (1994) (accepting exclusive and continuous use of a mark for five years as prima facie evidence of distinctiveness on a particular product). Fanciful or arbitrary marks are those that have no natural connection to the product and are given the broadest protection as trademarks. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2d Cir. 1976). Suggestive marks require imagination, thought and perception to make a connection between the mark and

Court concluded that a product's color could not be fanciful, arbitrary, or suggestive and acquisition of secondary meaning would have to be proven to establish a valid color trademark.<sup>31</sup>

The Court next discussed the reason that trademark laws exist.<sup>32</sup> Justice Breyer explained that trademarks benefit consumers by making quality products easy to identify.<sup>33</sup> In addition, Justice Breyer elucidated that trademarks benefit manufacturers of quality products by assuring them that inferior products will not be confused with their own.<sup>34</sup> Justice Breyer also discussed the Court's finding that trademark laws not only encourage production of quality products, but also discourage production of inferior products by making the origin of products easy to determine, thereby reducing the need for purchasers to quickly evaluate an item's quality.<sup>35</sup> The Court opined that the source-distinguishing quality of trademarks permit trademarks to serve these functions.<sup>36</sup>

The Court noted the important requirement that trademarks be nonfunctional and then discussed the functionality of color.<sup>37</sup> Justice Breyer explained that functional features are protected by patent laws which give a limited monopoly over qualifying inventions to stimulate creation of new inventions and make them public knowledge.<sup>38</sup> Justice Breyer explained that trademark laws, in contrast, seek only to protect a producer's

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the nature of the product. *Stix Products Inc. v. United Merchants & Mfrs. Inc.*, 295 F. Supp. 479, 488 (S.D.N.Y. 1968). Fanciful, arbitrary and suggestive marks require no identification with the product by the public or secondary meaning because their use with the product does not limit the terms available for use on similar products by other suppliers. *Abercrombie*, 537 F.2d at 11. Descriptive marks describe the product and, therefore, must have achieved secondary meaning or be recognized as a product of a particular supplier to become valid trademarks that cannot be used by other suppliers of similar goods. *Id.* at 10. Generic marks are marks that the public associates with a type of product, not with a particular supplier of a product, and cannot be protected as trademarks because to protect the mark would be to deprive competitors of calling a product by its name. *Id.* at 9.

31. *Qualitex*, 115 S. Ct. at 1303. See *supra* note 11 for a definition of "secondary meaning."

32. *Qualitex*, 115 S. Ct. at 1303.

33. *Id.*

34. *Id.*

35. *Id.*

36. *Id.* at 1304.

37. *Qualitex*, 115 S. Ct. at 1304.

38. *Id.* The Patent Act provides in relevant part: "Every patent shall contain . . . a grant to the patentee, his heirs or assigns, for the term of seventeen years . . . of the right to exclude others from making, using or selling the invention throughout the United States." 35 U.S.C. § 154 (1988). The Patent Act further provides that "[p]atents for designs shall be granted for the term of fourteen years." *Id.* § 173.

reputation and do so indefinitely.<sup>39</sup> Therefore, the Court opined that trademark laws should not be permitted to grant a monopoly over a functional feature beyond the limit of patent laws.<sup>40</sup> The Court determined that a color is not functional when it is not essential to a product and does not affect the product's cost or quality.<sup>41</sup> Therefore, the Court concluded, functionality could not always bar the use of color alone as a trademark.<sup>42</sup>

The Court then determined that Qualitex's green-gold color met all of the requirements of a trademark because it symbolizes Qualitex, is used as a mark by Qualitex to distinguish its goods from those of others, and is not functional.<sup>43</sup> The Court concluded that Qualitex's green-gold color should, therefore, be protected as a trademark unless there exists a convincing special reason that the color should not be protected.<sup>44</sup>

In determining whether there are any special reasons to not protect color alone as a trademark, the Court first considered whether there is an acceptable standard for determining infringement.<sup>45</sup> Justice Breyer stated that competitors and courts would not have undue difficulty in determining what shades might be confusingly similar to a color protected by a trademark because different shades would be distinguishable under constant lighting conditions.<sup>46</sup>

The second special reason considered by the Court for not

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39. *Qualitex*, 115 S. Ct. at 1304.

40. *Id.*

41. *Id.*

42. *Id.* To reinforce the Court's position, Justice Breyer revealed that the Patent and Trademark Office recognizes color alone as a trademark and brings this to the attention of examiners in its procedure manual. *Id.* See U.S. DEP'T OF COMMERCE, PATENT AND TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1202.04(e) (2d ed. 1993).

43. *Qualitex*, 115 S. Ct. at 1305.

44. *Id.*

45. *Id.*

46. *Id.* The Supreme Court also opined that courts are faced with equally difficult determinations on matters such as distinguishing between color and symbol combinations and therefore the courts should be capable of determining trademark infringement of colors alone. *Id.* The Court endorsed the expansion of the "strong" mark versus "weak" mark standard in determining whether a similar shade infringes on a shade protected as a trademark. *Id.* The Court stated that arbitrary or fanciful marks receive broad protection and may be protected where the risk of customer confusion is small. *Id.* In *Majestic Mfg. Co. v. Majestic Elec. Appliance Co.*, 172 F.2d 862 (6th Cir. 1949), the court stated that "where trade-marks are merely suggestive or descriptive they are weak marks affording protection to the owners only in the narrow and restricted field in which they have been applied." *Majestic*, 172 F.2d at 863.

protecting color as a trademark was the concern that colors are in limited supply and all colors could be depleted if a large number of color trademarks are registered.<sup>47</sup> The Court stated that in situations where usable colors are limited, color becomes a functional feature not protectable by trademark law because it is essential to the product or affects product cost or quality.<sup>48</sup> The test given by the Court was that a color is functional when it serves a significant non-trademark function.<sup>49</sup> Justice Breyer opined that the category of a significant non-trademark function includes giving a product the "right touch of beauty."<sup>50</sup> As an example of a functional color, Justice Breyer cited a lower court decision holding that a particular shade of green is functional when placed on a loader designed to fit a tractor painted the same shade of green as the loader because customers want their equipment to match.<sup>51</sup> The Court also cited a lower court decision which held that the color black is functional when placed on outboard boat motors because it decreases the apparent size of the motor and matches a wide variety of boat colors.<sup>52</sup>

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47. *Qualitex*, 115 S. Ct. at 1305.

48. *Id.* at 1305-06. The Court noted that one exception to the policy of permitting trademark protection for a color occurs when medical pills are involved. *Id.* at 1306. See *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 853 (1982) (holding that colors on medical pills are functional for the public policy reason of identifying the type of medication to doctors and patients and, therefore, may not be given trademark protection).

49. *Qualitex*, 115 S. Ct. at 1306.

50. *Id.* (citation omitted). The Court stated that "if a design's 'aesthetic value' lies in its ability to 'confer a significant benefit that cannot practically be duplicated by the use of alternative designs,' then the design is 'functional'". *Id.* (citing RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 cmt. c (1995)). The Court noted that the Restatement also states that the "ultimate test of aesthetic functionality . . . is whether the recognition of trademark rights would significantly hinder competition." *Qualitex*, 115 S. Ct. at 1306. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 cmt. c (1995).

51. *Qualitex*, 115 S. Ct. at 1306. See *Deere & Co. v. Farmhand, Inc.*, 560 F. Supp. 85, 98 (S.D. Iowa 1982), *aff'd*, 721 F.2d 253 (8th Cir. 1983). In *Deere*, Deere brought an unfair competition action against Farmhand, which produced front-end loaders that were custom designed to fit Deere's tractors and that were similar in appearance and color to Deere's loaders. *Deere*, 560 F. Supp. at 88. The court found that all similarities in appearance were necessitated by functional considerations. *Id.* at 90-91. The court accepted the evidence that matching colors on loaders and tractors was a significant criterion for selecting loaders. *Id.* at 97-98. This led the court to conclude that the doctrine of "aesthetic functionality" required that Farmhand be permitted to use the same shade of green on its loaders that Deere used on its tractors. *Id.* at 98.

52. *Qualitex*, 115 S. Ct. at 1306. See *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 1532 (Fed. Cir. 1994), *cert. denied*, 115 S. Ct. 1426 (1995). In *Brunswick* the court determined that the color black is *de jure* functional when applied to an outboard boat motor, and therefore could not be protected as a trademark. *Brunswick*, 35 F.3d at 1533. The court also determined that black outboard boat motors are *de jure* functional because they provide a competitive advantage and therefore

The Court found the third special reason for not allowing color trademarks in pre-Lanham Act cases in which the Court opined that color alone could not be protected by trademark law.<sup>53</sup> The Court stated two reasons justifying its decision to overrule precedent and allow colors to be registered as trademarks.<sup>54</sup> The Court stated that, although lower courts followed the rule that color alone could not constitute a valid trademark, it was merely dicta with regard to the Supreme Court.<sup>55</sup> Justice Breyer further distanced the Court from pre-1946 cases by stating that the Lanham Act made significant changes to common law trademark law.<sup>56</sup> The Court concluded that it was following congressional intent by allowing color alone to be registered as a trademark.<sup>57</sup>

The Court stated that the fourth special reason for not affording trademark protection of colors, the possibility of duplicate protection already afforded by "trade dress" law is not a valid concern.<sup>58</sup> "Trade dress" law, the Court explained, protects against confusingly similar colors applied to a symbolic trademark.<sup>59</sup> However, trademark law does not protect color alone and therefore does not protect manufacturers who find it difficult to place a symbol on a product and thereby protect it.<sup>60</sup>

are not of purely aesthetic value. *Id.* Black coloring, according to the court, does not make an engine function better but it makes the engine appear smaller and more compatible with a wide variety of boat colors. *Id.* at 1531. The court indicated, however, that *de facto* functionality may be entitled to trademark protection. *Id.* As an example of *de facto* functionality, the court suggested that a bottle has the *de facto* function of holding a liquid but the shape may be protected as a trademark because it does not offer superior utility over other shapes. *Id.*

53. *Qualitex*, 115 S. Ct. at 1307.

54. *Id.*

55. *Id.* The Supreme Court suggested in *Coca-Cola Co. v. Koke Co. of Am.*, 254 U.S. 143, 147 (1920), that "product[s] including the coloring matter is free to all who can make it." *Coca-Cola*, 254 U.S. at 147. Dicta are defined as "[o]pinions of a judge which do not embody the resolution or determination of the specific case before the court. Expressions in court's opinion which go beyond the facts before the court and therefore . . . not binding in subsequent cases as legal precedent." BLACK'S LAW DICTIONARY 454 (6th ed. 1990).

56. *Qualitex*, 115 S. Ct. at 1307. The Court stated that the Lanham Act changed and liberalized the common law to "dispense with mere technical prohibitions" by, for example, allowing registration of descriptive trademarks that had acquired secondary meaning. *Id.* See S. REP. NO. 1333, 79th Cong., 2d Sess. 3 (1946), reprinted in 1946 U.S.C.C.A.N. 412, 412.

57. *Qualitex*, 115 S. Ct. at 1307-08.

58. *Id.* at 1308 (citing 15 U.S.C. § 1125(a) (1988 & Supp. V 1993)). Trade dress is "[t]he total appearance and image of a product, including features such as size, texture, shape, color or color combinations, graphics, and even particular advertising and marketing techniques used to promote its sale." BLACK'S LAW DICTIONARY 1493 (6th ed. 1990).

59. *Qualitex*, 115 S. Ct. at 1308.

60. *Id.*

The Court concluded by specifically holding that the Lanham Act does not prevent color alone from being registered as a trademark when the color meets ordinary legal trademark requirements.<sup>61</sup> Justice Breyer determined that Qualitex's use of the green-gold color met the basic trademark requirements and held that it was therefore a valid trademark registration.<sup>62</sup>

Prior to the Lanham Trademark Act of 1946, the United States Supreme Court considered whether a trademark could consist of color alone in *A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.*<sup>63</sup> The A. Leschen & Sons Rope Company ("Leschen") claimed it had a trademark interest in rope because a strand of the rope was colored differently from the other strands.<sup>64</sup> The Court disagreed and held that Leschen's claim was similar to claiming a trademark interest in coloring the entire rope, which in the Court's opinion could not constitute a valid trademark.<sup>65</sup> The Court added that if color were to be made an essential feature of a trademark, the color must be connected with a symbol or design.<sup>66</sup> Although the claim in *Leschen* was that Leschen had rights in a rope with any colored strand and not a specific colored strand, lower courts relied on the Supreme Court's dictum and interpreted the decision as not allowing even a specific color to be used alone as a trademark without an associated symbol.<sup>67</sup>

In *Coca-Cola Co. v. Koke Co. of America*,<sup>68</sup> the Supreme Court further emphasized its prohibition against color trademarks.<sup>69</sup> Koke Co. of America ("Koke") claimed that the

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61. *Id.*

62. *Id.* According to the Court, Qualitex's green-gold color was a valid trademark because it acted as a symbol, had acquired secondary meaning identifying the press pads' source, and served no function other than to identify the source of the press pads. *Id.* at 1305.

63. 201 U.S. 166, 172 (1906).

64. *Leschen*, 201 U.S. at 170. Leschen's trademark registration contained the following description:

The trademark consists of a red or other distinctively colored streak applied to or woven in a wire rope. The color of the streak may be varied at will, so long as it is distinctive from the color and body of the rope. The essential feature of the trademark is the streak of distinctive color produced in or applied to a wire rope. This mark is usually applied by painting one strand of the wire rope a distinctive color, usually red.

*Id.*

65. *Id.*

66. *Id.* at 171.

67. *Qualitex*, 115 S. Ct. at 1307. See *Campbell Soup Co. v. Armour & Co.*, 175 F.2d 795, 798 (3d Cir. 1949) (declining to validate a trademark consisting of a red and white label that was not combined with a distinctive design) (citing *Leschen*).

68. 254 U.S. 143 (1920).

69. *Coca-Cola*, 254 U.S. at 147.

Coca-Cola trademark was invalid.<sup>70</sup> Koke asserted that Coca-Cola had committed a fraud on the public by falsely implying that there was cocaine, a byproduct of the coca plant, in Coca-Cola's product.<sup>71</sup> Justice Holmes, speaking for the Court, held that the mark "Coca-Cola" was valid because it had achieved secondary meaning identifying the source of a soft drink generally known to contain no cocaine.<sup>72</sup> In dictum, Justice Holmes added that anyone was free to make the product at issue, and specifically to use the coloring at issue, conditioned only on there being no element of deceit involved.<sup>73</sup> Justice Holmes' dictum reinforced the Court's earlier dictum found in *Leschen* which maintained that color alone could not constitute a valid trademark.<sup>74</sup>

Common law trademark law was enhanced by the Lanham Act.<sup>75</sup> The Lanham Act did not preempt common law trademark law but supplemented it through creation of a national principal register.<sup>76</sup> A mark may be nationally registered if it is shown that it is used in or affects interstate commerce.<sup>77</sup> Primarily, national registration affords an owner of a mark protection against other users of the mark anywhere in the United States, assures registrants federal question jurisdiction, allows for additional remedies, and creates a presumption that the registered trademark is valid.<sup>78</sup>

70. *Id.* at 144.

71. *Id.* at 145-46.

72. *Id.* at 146. See *supra* note 11 for a definition of "secondary meaning."

73. *Coca-Cola*, 254 U.S. at 147.

74. *Qualitex*, 115 S. Ct. at 1307.

75. See 15 U.S.C. §§ 1051-1127 (1994).

76. *Macaulay v. Malt-Diatase Co.*, 4 F.2d 944, 945 (D.C. Cir. 1925). The Lanham Act states: "The owner of a trademark used in commerce may apply to register his or her trade-mark under this chapter on the principal register." 15 U.S.C. § 1051 (1994).

77. *Macaulay*, 4 F.2d at 945. "Congress can only exercise . . . authority over trade-marks used on goods sold in interstate commerce." *Id.*

78. 15 U.S.C. §§ 1071, 1072, 1115, 1117 (1994). Registration is discussed in § 1072:

[T]he Lanham Act, 15 U.S.C. § 1072, provides that registration of a trademark on the principal register is constructive notice of the registrant's claim of ownership. Thus, by eliminating the defense of good faith and lack of knowledge, § 1072 affords nationwide protection to registered marks, regardless of the areas in which the registrant actually uses the mark.

*Dawn Donut Co. v. Hart's Food Stores, Inc.*, 267 F.2d 258, 362 (2d Cir. 1959). The Lanham Act provides that anyone "who is dissatisfied with the decision of the Commissioner or Trademark Trial and Appeal Board, 'may' appeal to the United States Court of Appeals for the Federal Circuit." 15 U.S.C. § 1071 (1994). With regard to remedies the Lanham Trademark Act provides:

[T]he court shall . . . enter judgment for three times . . . profits or damages, whichever is greater, together with a reasonable attorney's fee, in the case of

In *In re Owens-Corning Fiberglass Corp.*,<sup>79</sup> the United States Court of Appeals for the Federal Circuit reversed the United States Patent and Trademark Office Trial and Appeal Board's determination that the color "pink" could not be used as a trademark on fiberglass insulation.<sup>80</sup> The court explained that the legislative history of the Lanham Act indicates that it was created to dispense with mere technical prohibitions and arbitrary provisions.<sup>81</sup> The court then opined that the Lanham Act was created to modernize trademark law so that it would conform to legitimate present-day business practices.<sup>82</sup> The Federal Circuit concluded that Owens-Corning Fiberglass Corporation's ("Owens-Corning") "use of the color 'pink' performs no non-trademark function, and is consistent with the commercial and public purposes of trademarks."<sup>83</sup> Because there are few fiberglass insulation manufacturers and changing the natural color of fiberglass for sale is not a widespread practice in the industry, the court reasoned that registration of the color pink did not create a monopoly or restrict competitors in a way that caused a competitive disadvantage.<sup>84</sup> The court held that the color pink on fiberglass insulation served only the

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any violation . . . that consists of intentionally using a mark or designation, knowing such mark or designation is a counterfeit mark, in connection with the sale, offering for sale, or distribution of goods or services.

*Id.* § 1117(b). The Lanham Act also provides that "[a]ny . . . mark registered on the principal register . . . shall be prima facie evidence of the validity of the registered mark." *Id.* § 1115.

79. 774 F.2d 1116 (Fed Cir. 1985)

80. *Owens-Corning*, 774 F.2d at 1128.

81. *Id.* at 1119. The court in *Owens-Corning* made the following statement regarding the Lanham Act's purpose to dispense with technical prohibitions and arbitrary provisions:

The Lanham Act provides national protection of trademarks in order to secure to the owner of the mark the good will of his business and to protect the ability of consumers to distinguish among competing producers. Section 45 of the Act defines "trademark" to include "any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others." This was a departure from the past, as prior statutes only permitted registration of "technical" common law trademarks. The preamble of section 2 of the Lanham Act states that "[n]o trademark . . . shall be refused registration on the principal register on account of its nature," unless one or more specific exceptions to registrability set forth in that section apply. Color is not such an exception. Congress intended, as shown in the legislative history of the Lanham Act, a broad revision of trademark law achieving "substantive as distinguished from merely procedural rights in trade-marks."

*Id.* (citing S. REP. NO. 1333, 79th Cong., 2d Sess. 5 (1946), reprinted in 1946 U.S.C.C.A.N. 1274, 1277).

82. *Id.*

83. *Id.* at 1123.

84. *Id.* at 1122.

trademark function of indicating the origin of the insulation, had no utilitarian use and offered no economies in manufacture or use.<sup>85</sup> Therefore, the court concluded that the color pink served only to protect the public by distinguishing Owens-Corning's insulation and was thus a valid trademark.<sup>86</sup>

In *NutraSweet Co. v. Stadt Corp.*,<sup>87</sup> the issue of whether color alone could be a valid registered trademark was brought before the Seventh Circuit Court of Appeals.<sup>88</sup> The Seventh Circuit distinguished the Federal Circuit's *Owens-Corning* decision and concluded that the *Owens-Corning* opinion was narrowly tailored and could not be extended for three reasons.<sup>89</sup> First, the Seventh Circuit was reluctant to overturn the commonly accepted precedent relied on by many courts since the nineteenth century that color alone could not serve as a valid trademark.<sup>90</sup> Second, the court interpreted the Lanham Act as protecting color only if it is used in connection with a symbol or design.<sup>91</sup> Finally, the court opined that the *NutraSweet* case "degenerated into" an issue of dissension about different pastel blue color tones.<sup>92</sup> The court explained that determination of whether shades are confusingly similar would require a trial court to determine the number of competitors and the likelihood of future competitors in the market in order to determine whether there is a competitive need for the color blue to remain available for all to use.<sup>93</sup> This standard, the court concluded, would prove unworkable because it requires a court to predict the future and could have the effect of restricting new competition in the artificial sweetener market.<sup>94</sup>

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85. *Owens-Corning*, 774 F.2d at 1122.

86. *Id.* at 1123.

87. 917 F.2d 1024 (7th Cir. 1990).

88. *NutraSweet*, 917 F.2d at 1025.

89. *Id.* at 1027.

90. *Id.*

91. *Id.*

92. *Id.* *NutraSweet* uses the color blue on its single serving packets of artificial sweetener called "Equal" to distinguish it from "Sweet 'N Low" which is wrapped in pink packets, and sugar which typically comes in white packets. *Id.* at 1026. Stadt Corporation and Cumberland Packing Corporation later introduced a new artificial sweetener called "Sweet One" in blue single serving packages. *Id.* *NutraSweet* claimed that the color of the "Sweet One" packages was "confusingly similar" to the color of the "Equal" packages although the shades of blue were different. *Id.* *NutraSweet* further claimed that customers would mistakenly use "Sweet One" when they intended to use "Equal" because of the confusingly similar package colors. *Id.* at 1027-28. Therefore, *NutraSweet* asked the court to grant it sole use in the sweetener market of the color blue used on "Equal," and any other shades that are confusingly similar. *Id.* at 1025.

93. *NutraSweet*, 917 F.2d at 1028.

94. *Id.*

In its *Qualitex* holding, the United States Supreme Court established that companies may use a color as a trademark in instances when it is difficult to place a symbol on the product and when the color is not functional.<sup>95</sup> The Court's decision allows for legitimate protection of companies producing high quality products.

The *Qualitex* decision is not a leap of common sense widely heralded as overdue, nor is it a foolish leap from a precedent created more than one hundred years ago. It is a small step in the advancement of trademark law and a decision of limited applicability that will not soon be overturned.

Many of the arguments used against color trademarks in the past remain applicable in the post-*Qualitex* world. However, these arguments will now be based on the central idea of functionality.<sup>96</sup> Opponents of color trademarks will argue that color is necessary to make a product attractive and that the color used and those that are confusingly similar to it detract substantially from the limited number of usable colors.<sup>97</sup> If a court can be so convinced, it will be forced to determine that color is functional because granting exclusive rights to the color will limit competition in the product's market.<sup>98</sup> This argument will be most convincing if the color used is a primary color and the market is one in which there could be many competitors.<sup>99</sup> Even if the trademark opponent is unsuccessful in arguing that the trademark will infringe on the limited number of usable colors, the trademark opponent may have established that the color mark is not inherently distinctive, placing a heavy burden on the proponent of the trademark to prove it has acquired secondary meaning.<sup>100</sup> If a trial court can be convinced either that the color is functional or it has not acquired secondary meaning, the trademark will be invalid.<sup>101</sup>

The proponent of a color trademark will argue that the color in question is not functional because its removal from general use does not substantially reduce the spectrum of colors available to competitors, that the color is distinctive in that there is no necessity or competitive advantage obtained by using the color, and that the color has acquired secondary

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95. *Qualitex*, 115 S. Ct. at 1308.

96. *See id.* at 1306-07 (discussing the functionality of colors).

97. *See id.* (discussing the aesthetic functionality of colors).

98. *Id.* at 1304.

99. *See id.* at 1306 (suggesting that when color depletion arises, the doctrine of functionality will prevent the color from being a valid trademark).

100. *Qualitex*, 115 S. Ct. at 1303.

101. *Id.* at 1303-04.

meaning.<sup>102</sup> After arguing non-functionality and secondary meaning, the proponent will argue the strength of the mark as would be done in any other trademark case.<sup>103</sup> The strength of the mark is important because a stronger mark will be protected against a wider spectrum of confusingly similar colors.<sup>104</sup> While the framework for arguing the validity of color trademarks is clear, the standards by which the worthiness of protection are judged are not clear and will be applied differently by trial courts.

Determination of whether a color should be protected as a trademark is a fact intensive question.<sup>105</sup> Color trademark suits will turn on subjective decisions. The validity of a color trademark will depend on whether the usable colors are more limited than the number of potential producers and whether the coloring is required to give the product the "right touch of beauty" or has been added arbitrarily to distinguish the product's source.<sup>106</sup> Once validity is determined, infringement will turn on factors including whether the shades are confusingly similar and how strongly the public associates a color with the producer of the colored item.<sup>107</sup>

This fact intensiveness is an important factor in appellate review. Broad deference is extended to fact-finders because appellate courts can only review the record from the trial while fact-finders have firsthand opportunity to evaluate exhibits, witnesses and testimony. Because appellate courts can only access the facts of a case indirectly through the record and do not have direct access to pertinent information, appellate courts are limited to overturning a fact-finder's decision only when plain error is committed.<sup>108</sup> Therefore, the opportunity for appellate courts to refine the standard set forth in *Qualitex* will be unusually limited, thus allowing fact-finders to stray unchecked into the margins allowed by the vague standard set

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102. See *id.* at 1306-07 (discussing the functionality of colors).

103. See *id.* at 1305 (opining that the strength of a color mark is an important consideration in determining whether another shade is confusingly similar).

104. *Id.*

105. *NutraSweet*, 917 F.2d at 1028.

106. *Qualitex*, 115 S. Ct. at 1305-06.

107. *Id.* at 1305.

108. The Supreme Court, in *Citizens To Preserve Overton Park v. Volpe*, 401 U.S. 402 (1971), stated with regard to overturning a fact-finder's determination:

To make this finding the court must consider whether the decision was based on a consideration of the relevant factors and whether there has been a clear error of judgment. Although this inquiry into the facts is to be searching and careful, the ultimate standard of review is a narrow one.

*Volpe*, 401 U.S. at 416.

forth in *Qualitex*.

The strategy of bringing in evidence for the record, therefore, will be of little value in color trademark cases. Winning a case with a well organized fact-intensive argument in a trial court will be of overriding importance.

Litigants should also question the necessity of a court applying the decision in *Qualitex* to a case. The dearth of past cases has left it unclear when it is necessary to allow trademarks to consist of colors not associated with symbols. It could be argued that designs, textures or symbols could readily be incorporated into products even though the *Qualitex* Court determined that combining colors with designs is unnecessary.<sup>109</sup> It should be argued by future color trademark opponents that a particular mark could have been easily combined with a symbol and the broader protection of the color with or without a symbol should, therefore, be invalidated as over broad.<sup>110</sup>

The former rule requiring a combination of a symbol or design with a color provided courts with more factors to weigh when deciding whether trademarks are confusingly similar and whether the confusion is intentional. However, the advantages for courts were minor and the burden on industry to combine more elements in trademarks could be substantial.<sup>111</sup>

The *Qualitex* decision is a practical solution which acknowledges modern advertising's legitimate goal of quick, simple product identification. Advances in the law are often followed by periods of upheaval and uncertainty but trademark law has, and must continue to advance at a rapid pace or it will

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109. *Qualitex*, 115 S. Ct. at 1302.

110. See *id.* at 1308 (qualifying the narrow holding in *Qualitex* by stating: "[A] color may *sometimes* meet the basic legal requirements for a trademark" and adding that "a special legal rule preventing color alone from serving as a trademark" is not justified) (emphasis added).

111. See *id.* at 1305. The Court discussed the strength of the mark standard, stating: "We do not see why courts could not apply those standards to a color, replicating, if necessary, lighting conditions under which a colored product is normally sold. Indeed courts already have done so in cases where a trademark consists of a color plus a design." *Id.* (citing as examples: *Youngstown Sheet & Tube Co. v. Tallman Conduit Co.*, 149 U.S.P.Q. 656, 657 (T.T.A.B. 1966) (validating a trademark consisting of a gold stripe around a sewer pipe), *Amsted Indus., Inc. v. West Coast Wire Rope & Rigging Inc.*, 2 U.S.P.Q.2d 1755, 1760 (T.T.A.B. 1987) (validating a yellow strand as a trademark in a wire rope) and *In re Hodes-Lange Corp.*, 167 U.S.P.Q. 255, 256 (T.T.A.B. 1970) (validating a brilliant yellow band as a trademark on ampules)).

be disregarded as obsolete. Therefore, it is time that colors be allowed to join shapes, sounds and scents, as symbolic marks that may stand independently as trademarks.<sup>112</sup>

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112. *See id.* at 1303. *See also* United States Patent and Trademark Office Registration Nos. 696,147, 523,616 and 916,522.